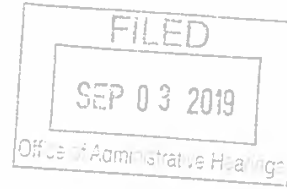


S. Horne



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0152

IN RE: Bluegrass Water Utility Operating Company, LLC  
Kingswood Subdivision Wastewater Treatment Plant  
Lot 59 Ace Court  
Mt. Washington, KY 40071  
AI No. 455  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Kingswood Subdivision Wastewater Treatment Plant (hereinafter "Kingswood WWTP" or "facility"), is located at Lot 59 Ace Court, Frankfort, Kentucky 40071. The facility has a design capacity of 0.050 million gallons per day and discharges to Broad Run Creek.
4. Kingswood WWTP is currently owned and operated by Kingswood Development, Inc. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems (hereinafter "KPDES") permit number KY0101419, issued by the Cabinet's Division of

Water (hereinafter "DOW"). The facility's KPDES permit expired on July 31, 2019, however, the DOW has administratively continued the permit to allow the facility to operate under its expired permit.

5. Kingswood Development, Inc. is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Kingswood WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Kingswood WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Kingswood WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Kingswood WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Kingswood WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5.065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes, proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed,

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.

- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.
- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

### MISCELLANEOUS PROVISIONS

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Kingswood WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd, Frankfort, Kentucky 40601, and stating the reasons

for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

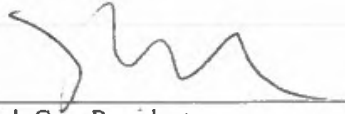
25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

### TERMINATION

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 19-3-0152

AGREED TO BY:



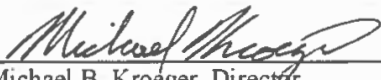
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

8/18/17  
Date:




CASE NO. DOW 19-3-0152

APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

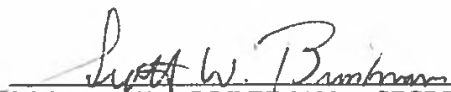
8/29/19  
Date

CASE NO. DOW 19-3-0152

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0152

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

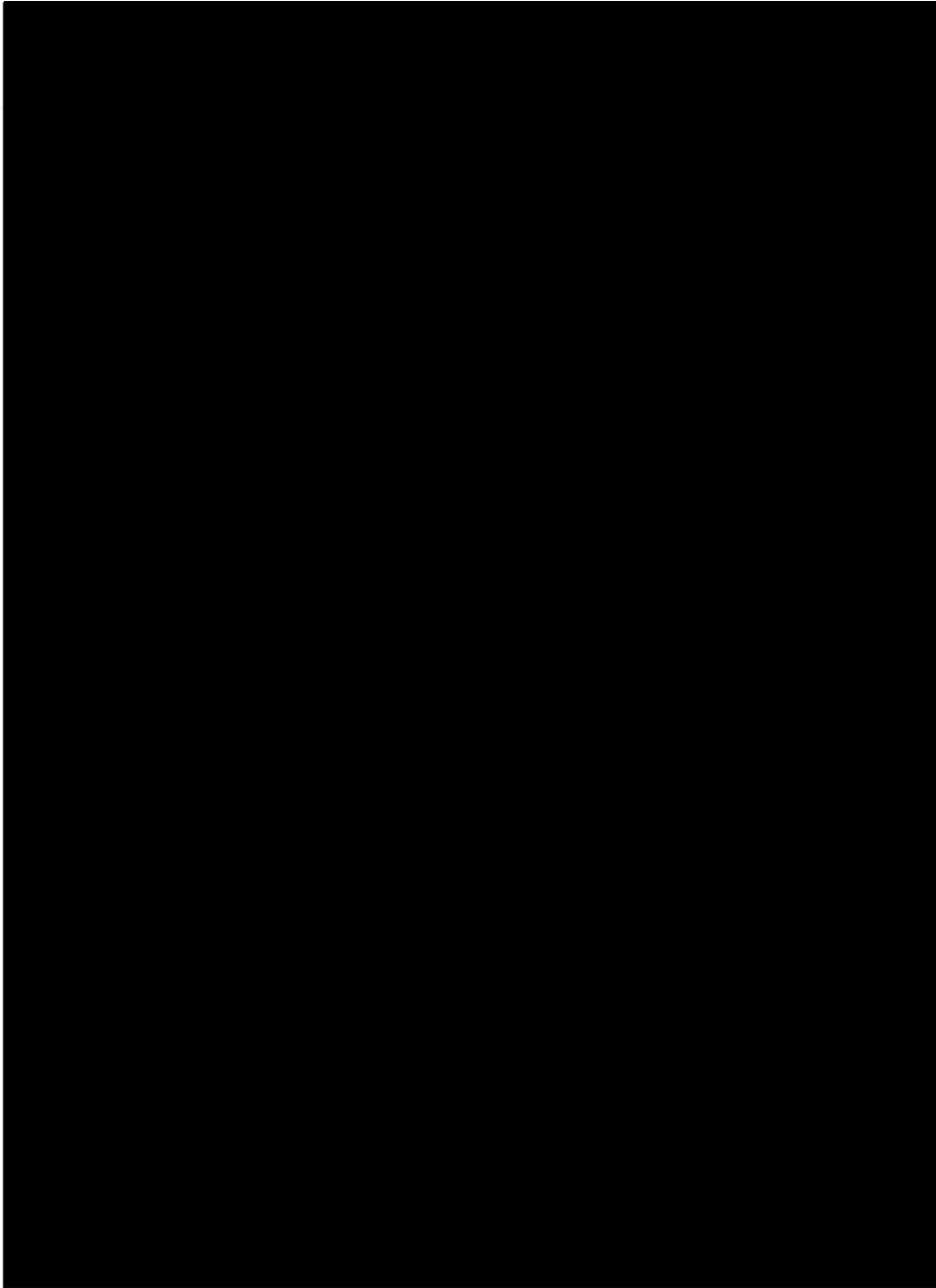
Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

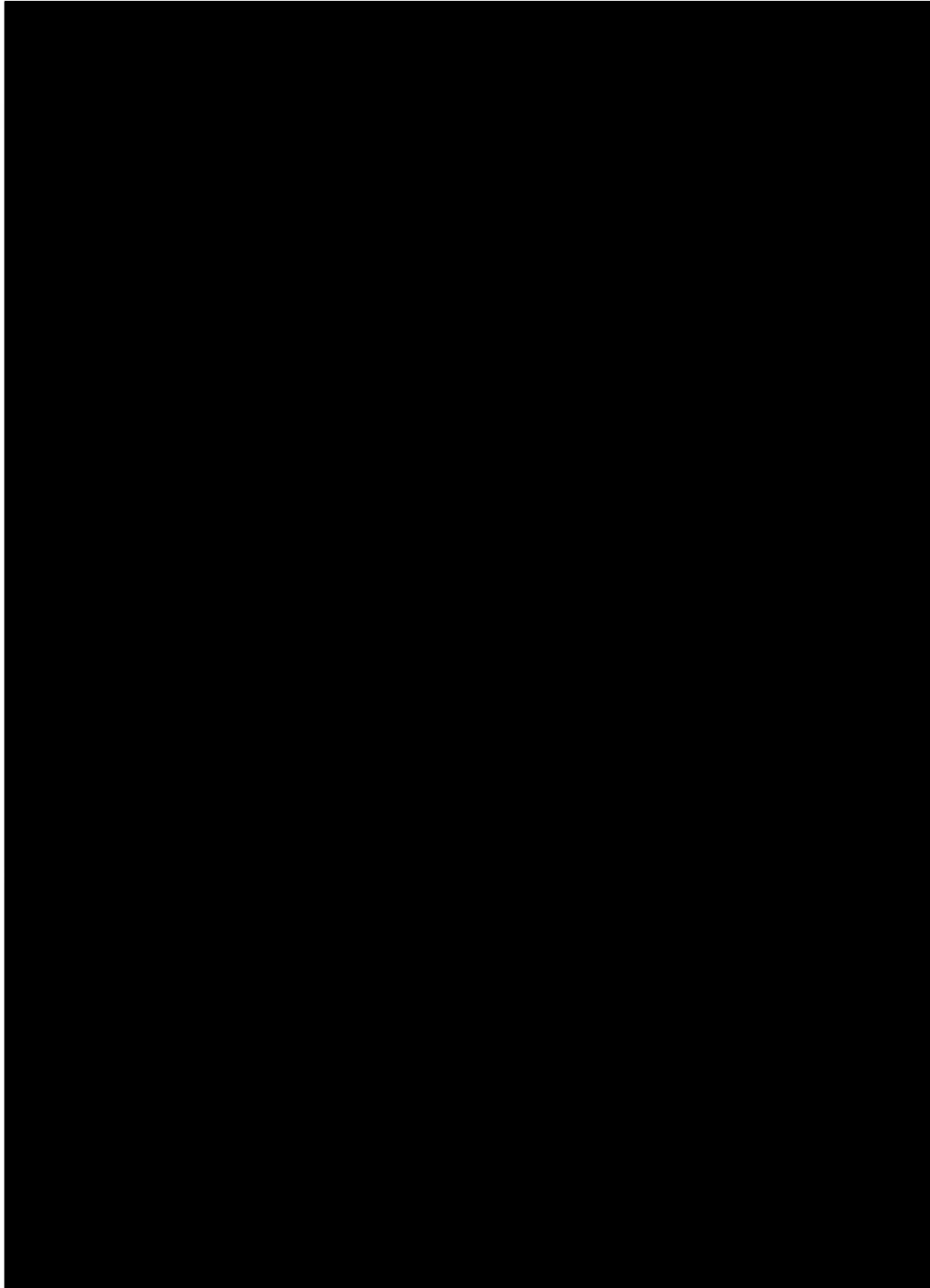
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

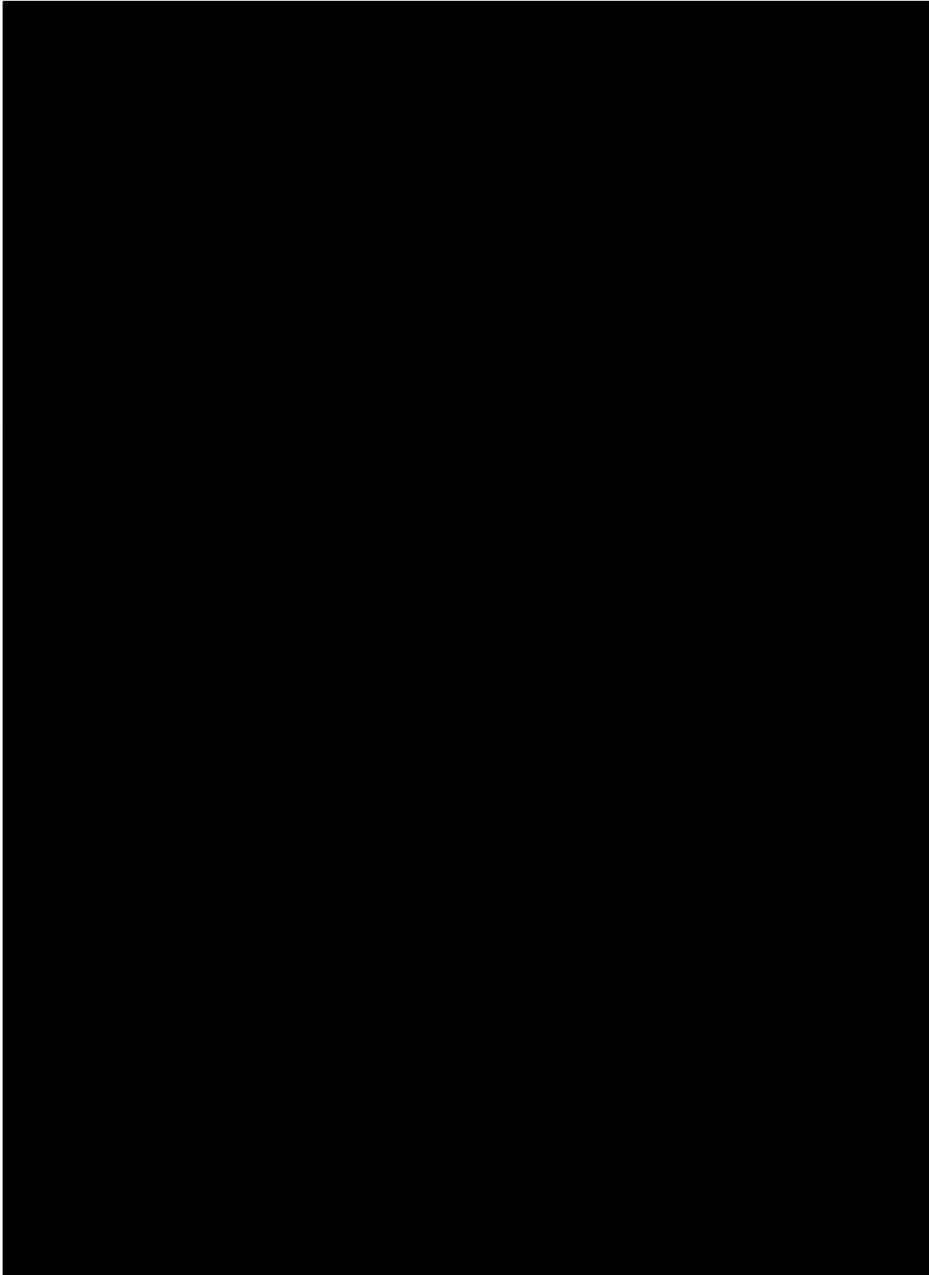
  
\_\_\_\_\_  
DOCKET COORDINATOR

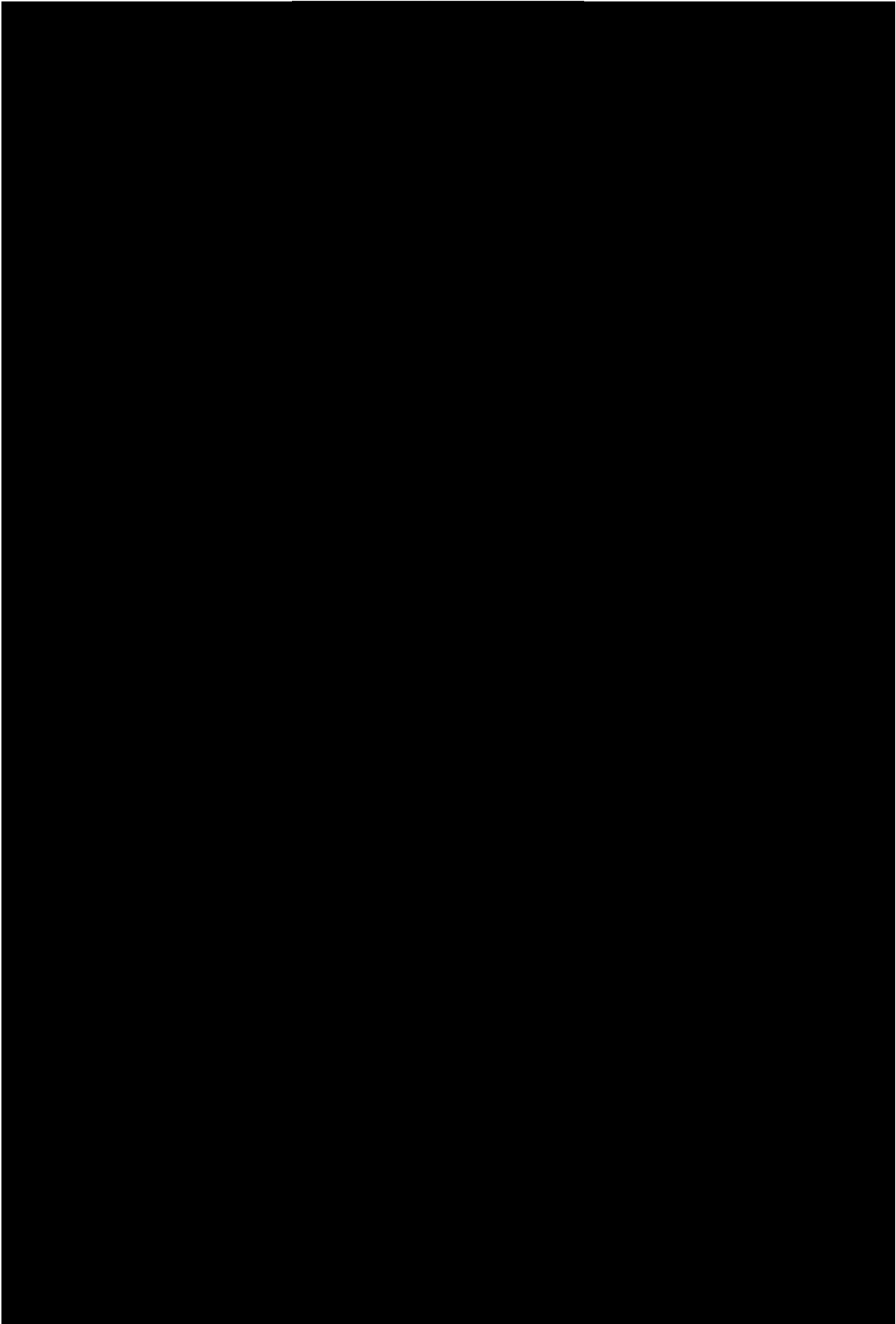
Distribution:  
DOW  
S&H  
BGD  
FBT

# Exhibit A

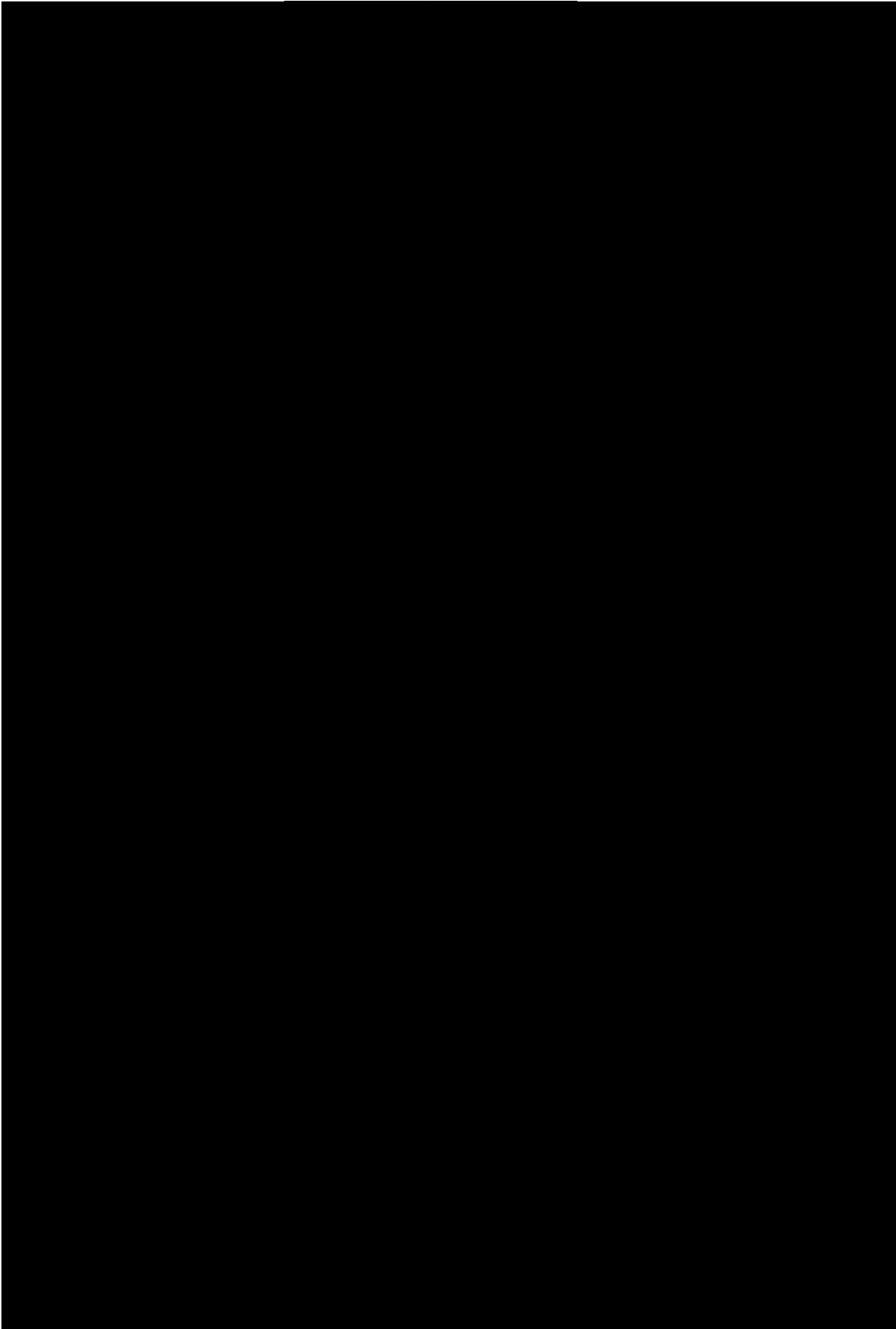












ANDY BESHEAR  
GOVERNOR



REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

January 28, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Kingswood WWTP  
AI No. 455  
Case No. DOW-19-3-0152  
Activity No. ERF20190001  
Facility ID: KY00101419  
Bullitt County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 12, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water ("DOW") has the following comment regarding the CAP:

- Should you decide to convert the current ultraviolet disinfection system at this facility to another disinfection system, you will need to submit a request for a minor permit modification to the DOW.

Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns.

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Kingswood WWTF submitted to the EEC on 12/12/2019 and approved by the Department on 1/28/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP plan documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be in generally good condition and adequate to meet the permitted limits, and that exceedances of permitted limits in the past (Ammonia, TSS, and E.Coli) were the result of operational shortcoming under the previous ownership, and failure to properly maintain the clarifier and UV system. We stated that we believed under our operations, the facility would begin to consistently meet limits. Even at the time the CAP was submitted the plant had begun to meet limits it had preciously violated.

The CAP laid out plans to replace the valving on the clarifier returns and skimmers, replace the existing skimmer, replace the UV ballast and sensor, installation of a magnetic flow meter and Mission remote monitoring system, and cleaning and jetting of the collection system. All of these improvements were completed within the schedule as planned with the exception of the replacement of the UV sensor. The currently installed UV system is no longer in production and the sensor is no longer available. The sensor's function is to alert the operator when a UV bulb is no longer producing enough light. As a result, the system was evaluated to establish a predictive maintenance routine of replacing the bulbs on an aggressive schedule to ensure proper disinfection is not interrupted even with the sensor not functioning.

In monitoring the performance of the facility as it pertains to compliance with permitted limits throughout the CAP period, there have been no exceedances of limits since November of last year.

At this time, BWUOC does not believe any additional improvements will be necessary for the Kingswood WWTF to continue to meet permitted limits and comply with EEC regulations. We are however considering replacing the UV system in the near future with a newer system with available parts. Additionally, while they haven't dropped below NPDES limits, the DO levels are dropping at the facility and we are concerned that the existing air header may need to be resized, we are currently evaluating the air header and the sizing of the current blower to determine if replacement is warranted.

Thanks, **JON MEANY**  
 Utility Engineer

(314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 Kingswood WWTF  
 KYPDES Permit No. KY0101419  
 Agency Interest No. 455

### Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Kingswood WWTF approved by EEC/DEP on 1/2/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the main aeration plant is in better shape than it was at acquisition. The damaged components of the aeration system have been repaired or replaced as needed and the plant was cleaned up and solids were removed from tankage. The plant is currently meeting all limits. The most significant remaining issue at the facility relates to the disinfection system. The UV unit is very old and parts are no longer available for it. The system is oversized so while it is now operating at 2/3 capacity it is still adequate for disinfection currently. Additionally, the sensor that alerts operators to underperforming bulbs is no longer available, so bulbs are being replaced on an aggressive preventative maintenance schedule instead of based on the sensor system.

Per the original CAP, our evaluation following triage improvements has determined that the facility does require a construction permit to complete improvements. We are in the process of applying for a permit to replace this UV system with a newer one with available parts. We believe that the replacement will proceed quickly following approval of the permit and expect to complete the improvements at Kingswood by February 18, 2022, assuming the permit is issued in the near future. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits

Sincerely,

**JON MEANY**

Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Kingswood WWTF  
KYPDES Permit No. KY0101419  
Agency Interest No. 455

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common good & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Kingswood will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

[bluegrasswateruoc.com](mailto:bluegrasswateruoc.com)

1-866-752-8982

[support@bluegrasswateruoc.com](mailto:support@bluegrasswateruoc.com)



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Kingswood WWTF  
KYPDES Permit No. KY0101419  
Agency Interest No. 455

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. BGUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common good & services. The UV disinfection system replacements components have been delayed by the manufacturer. BGUOC plans to rehabilitate and/or change unit, due to lack of supply availability. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Kingswood will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Kingswood WWTF  
KYPDES Permit No. KY0101419  
Agency Interest No. 455

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. BGUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of supplier chain setback and limited contractor availability, our operations contractor has encountered delays on the installation for the disinfection unit. The new UV disinfection system was shipped to the site on February 20, 2023, roughly 5 weeks later than expected. BGUOC plans to decommission and install the new unit after the contractor provides a revised timeline for completion. With uncertainty of contractor availability, Bluegrass Water Utility Operating Company, LLS determined that the unit replacement at Kingswood will be completed by December 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

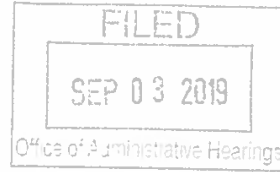
Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned below the "Sincerely," text.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager

S. Horne

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0155



IN RE: Bluegrass Water Utility Operating Company, LLC  
Persimmon Ridge Subdivision Wastewater Treatment Plant  
72 Persimmon Ridge Drive  
Louisville, KY 40245  
AI No. 3955  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Persimmon Ridge Subdivision Wastewater Treatment Plant (hereinafter "Persimmon Ridge WWTP" or "facility"), is located at 72 Persimmon Ridge Drive, Louisville, Kentucky 40245. The facility has a design capacity of 0.142 million gallons per day and discharges to Floyds Fork.
4. Persimmon Ridge WWTP is currently owned and operated by PR Wastewater Management, Inc. The facility's discharges are permitted under Kentucky Pollutant Discharge



Elimination Systems (hereinafter "KPDES") permit number KY0090956, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on September 30, 2023.

5. PR Wastewater Management, Inc. is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Persimmon Ridge WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Persimmon Ridge WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Persimmon Ridge WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Persimmon Ridge WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Persimmon Ridge WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5.065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes, proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.

- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.
- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes

ownership and operations of Persimmon Ridge WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

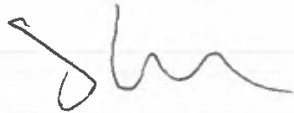
#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes

all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 19-3-0155

AGREED TO BY:



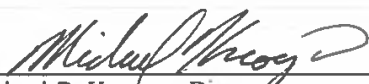
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC




Date

CASE NO. DOW 19-3-0155

APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

8/29/19  
Date




CASE NO. DOW 19-3-0155

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0155

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

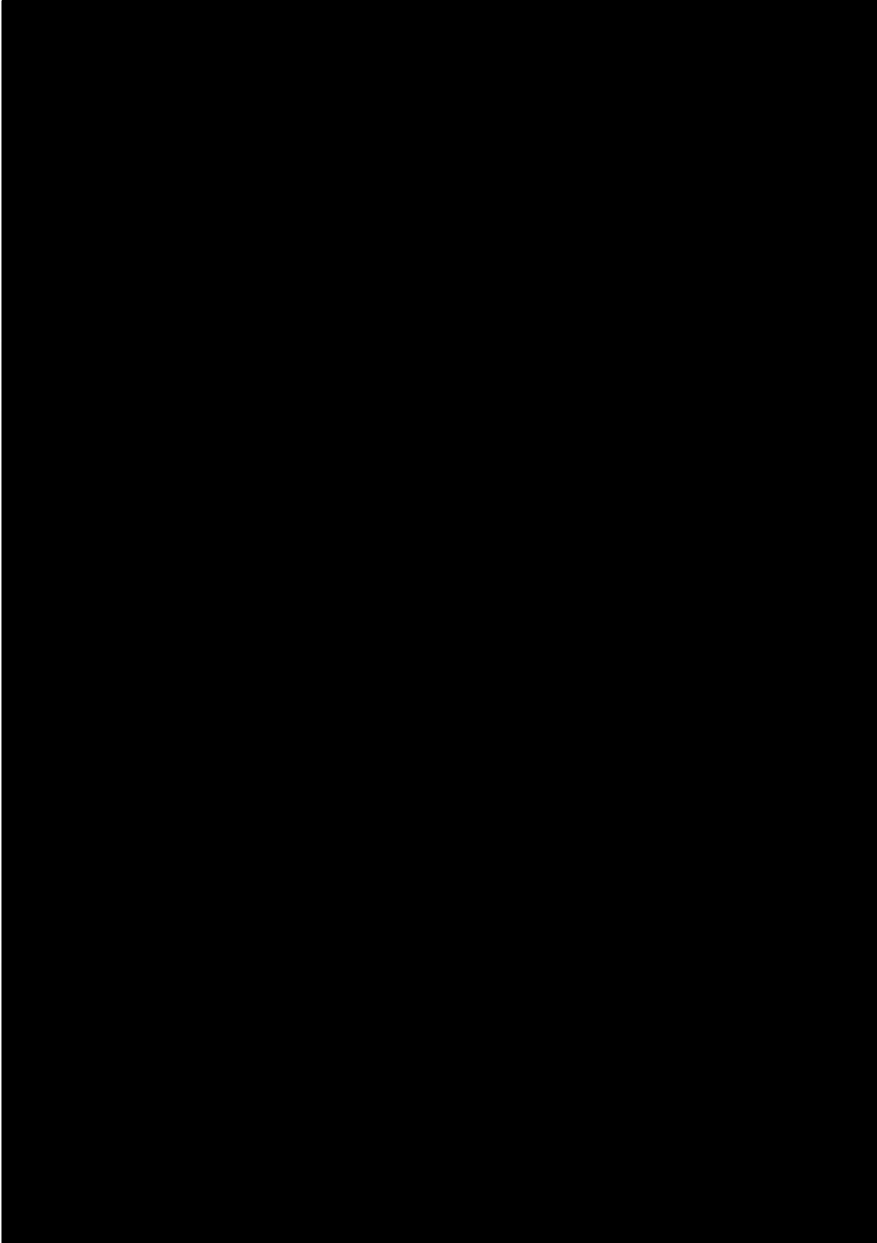
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

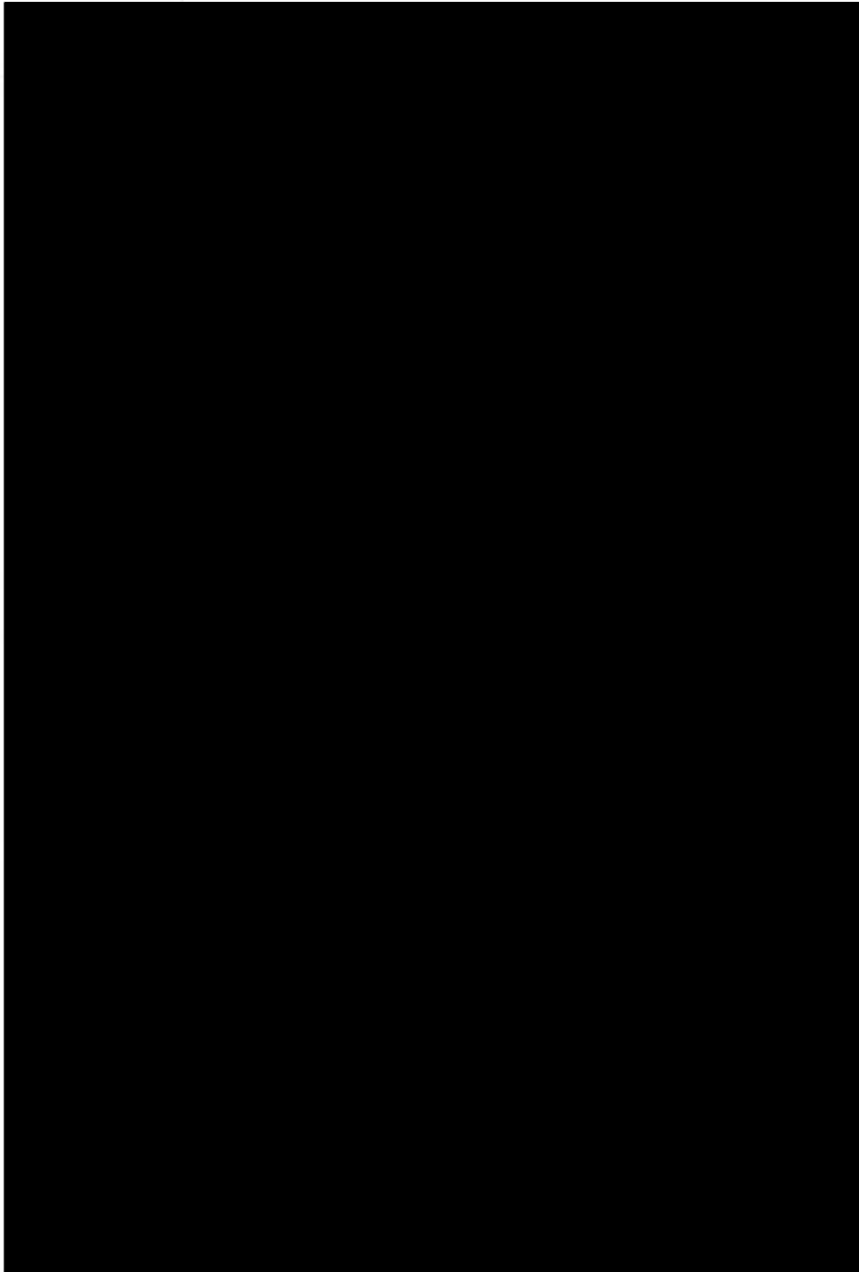
  
\_\_\_\_\_  
DOCKET COORDINATOR

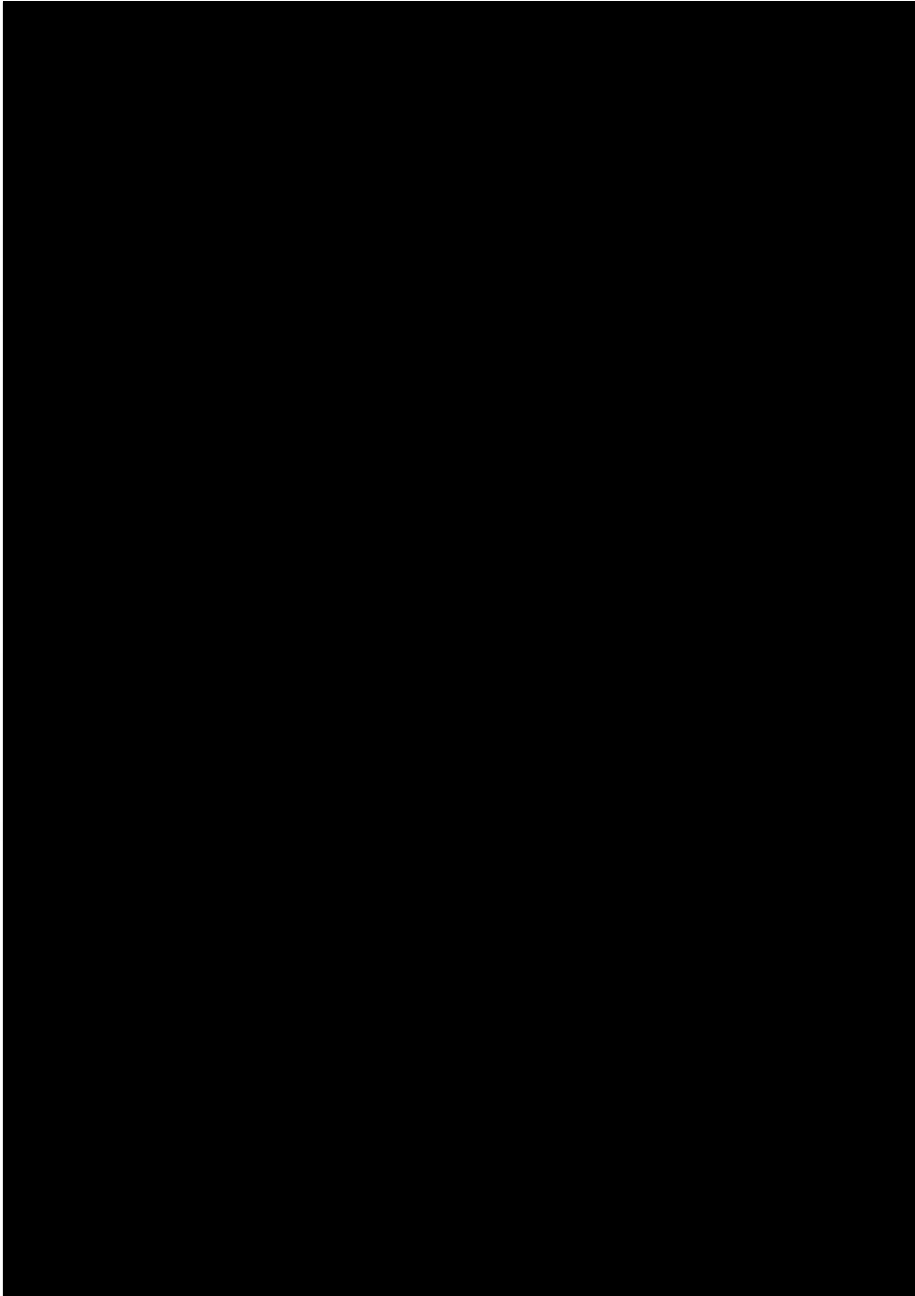
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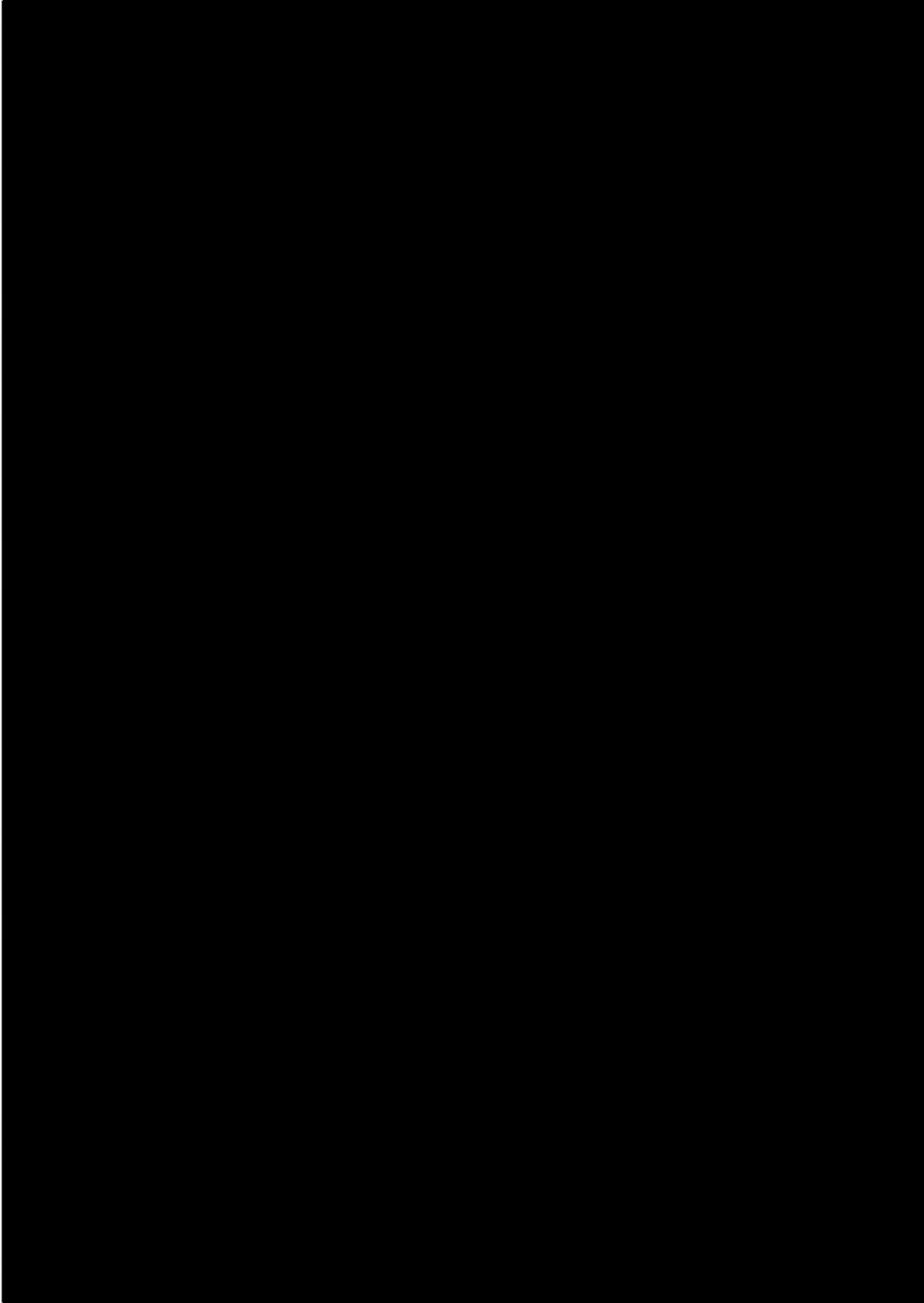
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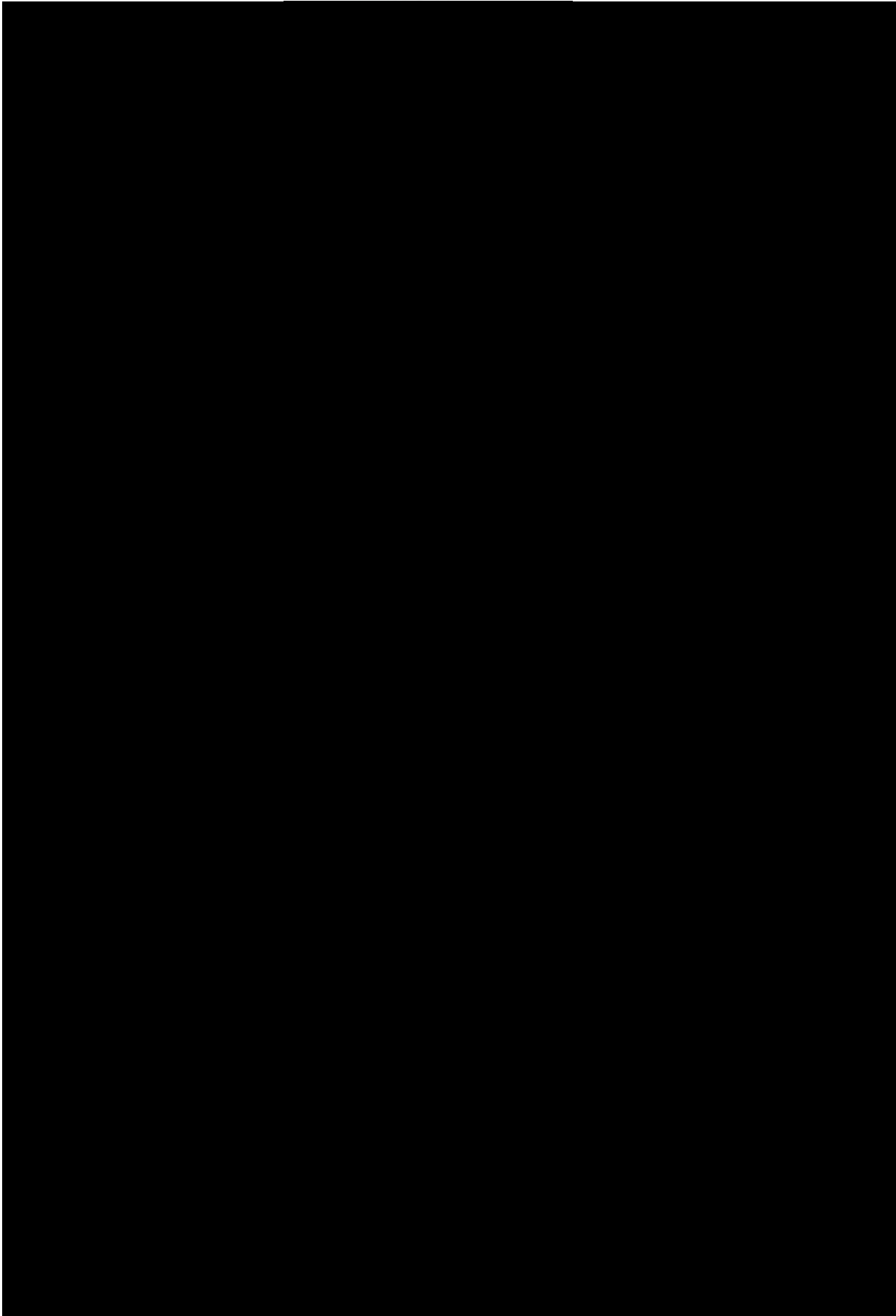
# Exhibit A



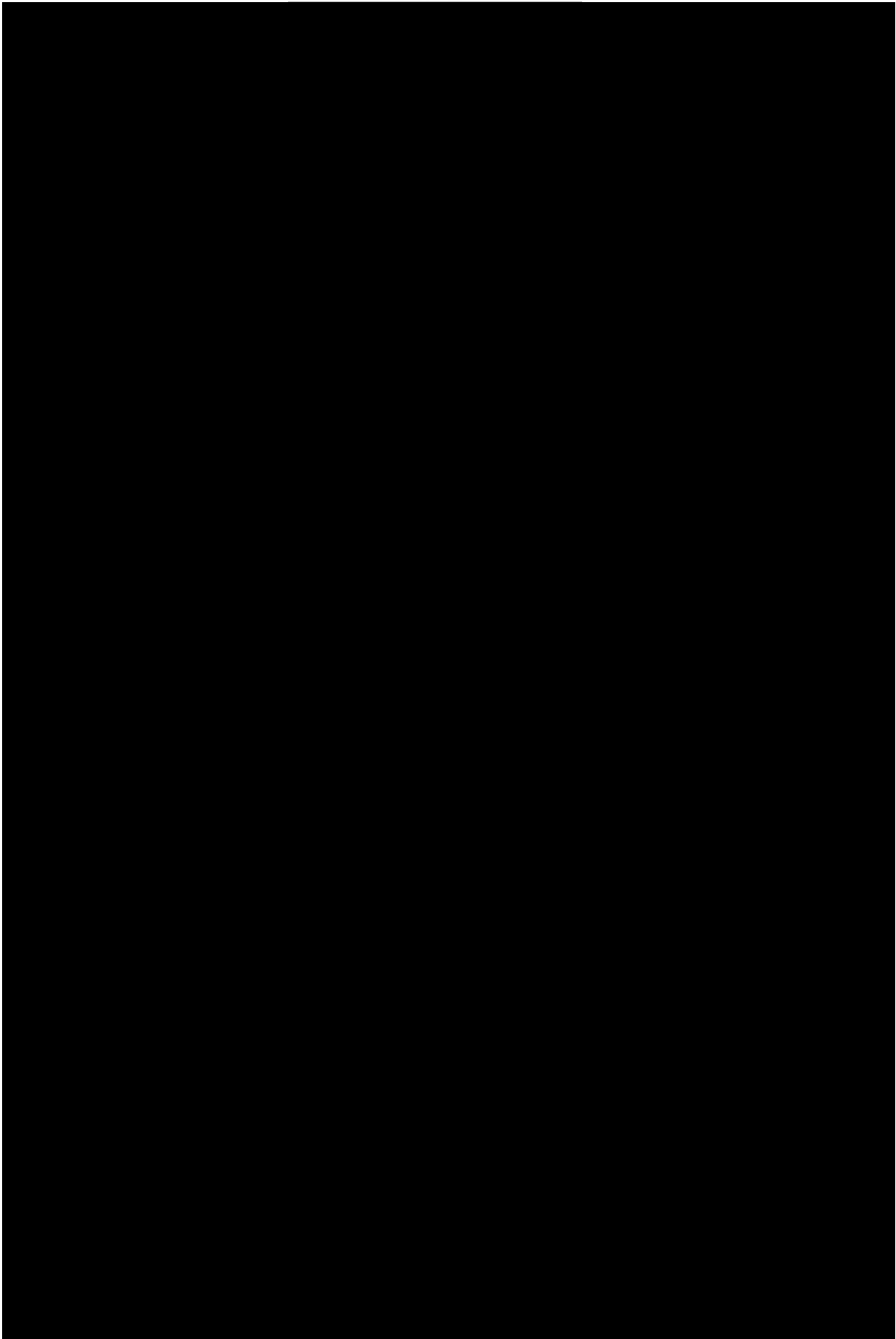














ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

January 29, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Persimmon Ridge WWTP  
AI No. 3955  
Case No. DOW-19-3-0155  
Activity No. ERF20190001  
Facility ID: KY0090956  
Shelby County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 13, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns.

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
Energy and Environment Cabinet,  
Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd 3rd floor  
Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Persimmon Ridge WWTF (KY0090956) submitted to the EEC on 12/13/2019 and approved by the Department on 1/29/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP plan documents, it was conveyed that an analysis of the system implied that following the operational and physical repairs and improvements detailed in the CAP the wastewater treatment facility may be capable of meeting limits.

The CAP laid out milestones for repairs, evaluation, and basic improvements at the facility. The milestones included repair of the baffle in the second lagoon cell, installation of scales for the chlorination and dechlorination chemicals, installation of a flow meter and remote monitoring system, and cleaning and jetting of the collection system.


Additionally, an improved aeration system was installed in the first cell of the lagoon as part of a pilot study. All improvements were completed inside of the timelines projected and the facility has met limits since May of this year. The new aeration system has improved the performance of the treatment plant and will be cycled on and off as part of the pilot study to determine the effectiveness of the equipment. Pending the results of the study, additional units may be added in the next few years, however the single unit in the pilot may be adequate to allow the facility to consistently meet limits.

Additionally, we are evaluating switching from chlorine and dechlorination to peroxyacetic acid and post aeration for disinfection at some point in the future to reduce operational costs. Should these additional improvements be pursued, BWUOC will submit construction permits for review by EEC/DEP and KYPSC.

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 Persimmon Ridge WWTF  
 KYPDES Permit No. KY0077674  
 Agency Interest No. 458

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Persimmon Ridge WWTF approved by EEC/DEP on 12/13/2019. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the plant is in better shape than it was at acquisition. Additional aeration has been installed aimed at lowering the ammonia levels in effluent and improving BOD removal. Basic cleanup and repairs have been made at the facility as well. The facility is consistently meeting limits; however it has historically struggled with BOD and Ammonia in the January to April winter months and continued observation will be required to determine if additional aeration is needed based on its performance in the upcoming months.

Should the facility struggle to comply with BOD and Ammonia limits in these cold months, Bluegrass will apply for a construction permit to either install additional aeration or install a small MBBR to knock ammonia levels down. It will be possible to determine if this additional improvement is necessary by the end of April of 2021, at which point we will send a status update to confirm one way or the other.

Sincerely,

**JON MEANY**

Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



May 17, 2021

Michael Kroeger (CC. Wesley Dement)  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Persimmon Ridge WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Persimmon Ridge WWTF approved by EEC/DEP on 12/13/2019. Per the discussion in the CAP revision submitted in February 2021, we have finished evaluating the winter performance of the Persimmon Ridge WWTF and have determined that further improvement will be required at the facility to achieve consistent compliance with BOD and Ammonia limits.

Throughout the winter months (focused on January through March with 7 samples taken), even with the additional aeration discussed in the last update, the facility generally produced ammonia levels ranging between 6 and 20 mg/l. These levels exceed the ammonia limits. As a result, Bluegrass is preparing designs and construction permit documentation to add an additional process (likely a small MBBR) to bring the facility into compliance with ammonia limits. We expect to submit this permit application by the end of Jun 2021.

Sincerely,

**JON MEANY**  
Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

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January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Persimmon Ridge WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 29, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common good & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Persimmon Ridge will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Persimmon Ridge WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 29, 2020. BWUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined that the repairs at Persimmon Ridge will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is written over a white background.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Persimmon Ridge WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 29, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC received the construction permit approval from EEC on February 22, 2023, and our third-party engineer submitted design plans and specification on November 28, 2022. L Keeley Construction commenced the bidding process on January 24, 2023, under the guidance of BWUOC. Bluegrass Water Utility Operating Company, LLC determined the Moving Bed Biological Reactor Installation Project at Persimmon Ridge will take roughly 12 months to be completed and the project to be finalized by March 31, 2024. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

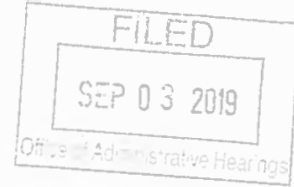
Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager



J. Horne



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0150

IN RE: Bluegrass Water Utility Operating Company, LLC  
Brocklyn Utilities Wastewater Treatment Plant  
474 Eastern Bypass  
Richmond, KY 40475  
AI No. 2809  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Brocklyn Utilities Wastewater Treatment Plant (hereinafter "Brocklyn WWTP" or "facility"), is located at 474 Eastern Bypass, Richmond, Kentucky 40475. The facility has a design capacity of 0.040 million gallons per day and discharges to an unnamed tributary to Taylor Fork.
4. Brocklyn WWTP is currently owned and operated by Brocklyn Utilities, LLC. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems (hereinafter "KPDES") permit number KY0081299, issued by the Cabinet's Division of Water

(hereinafter "DOW"). The facility's KPDES permit expired on May 31, 2018, however, the DOW has administratively continued the permit to allow the facility to operate under its expired permit.

5. Brocklyn Utilities, LLC is an active Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Brocklyn WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Brocklyn WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Brocklyn WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Brocklyn WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

#### **REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Brocklyn WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Brocklyn WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters

agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in

compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its

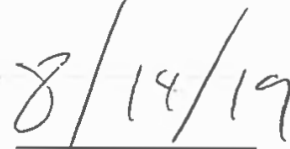
right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

AGREED TO BY:



\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

CASE NO. DOW 19-3-0150




\_\_\_\_\_  
Date

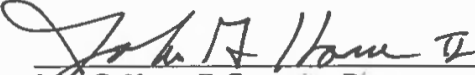


CASE NO. DOW 19-3-0150


APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

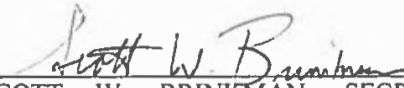
8/29/19  
Date

CASE NO. DOW 19-3-0150

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2017.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0150

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd  
Frankfort, Kentucky 40601

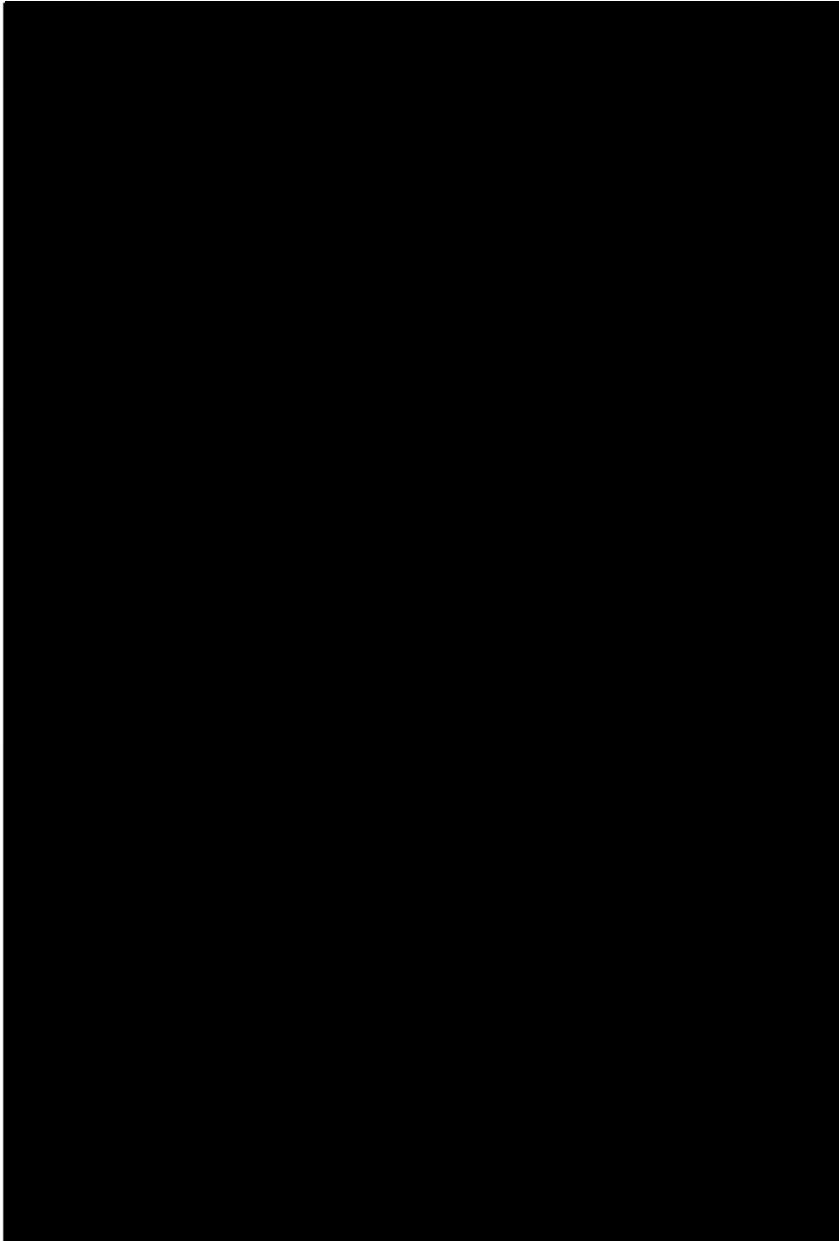
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

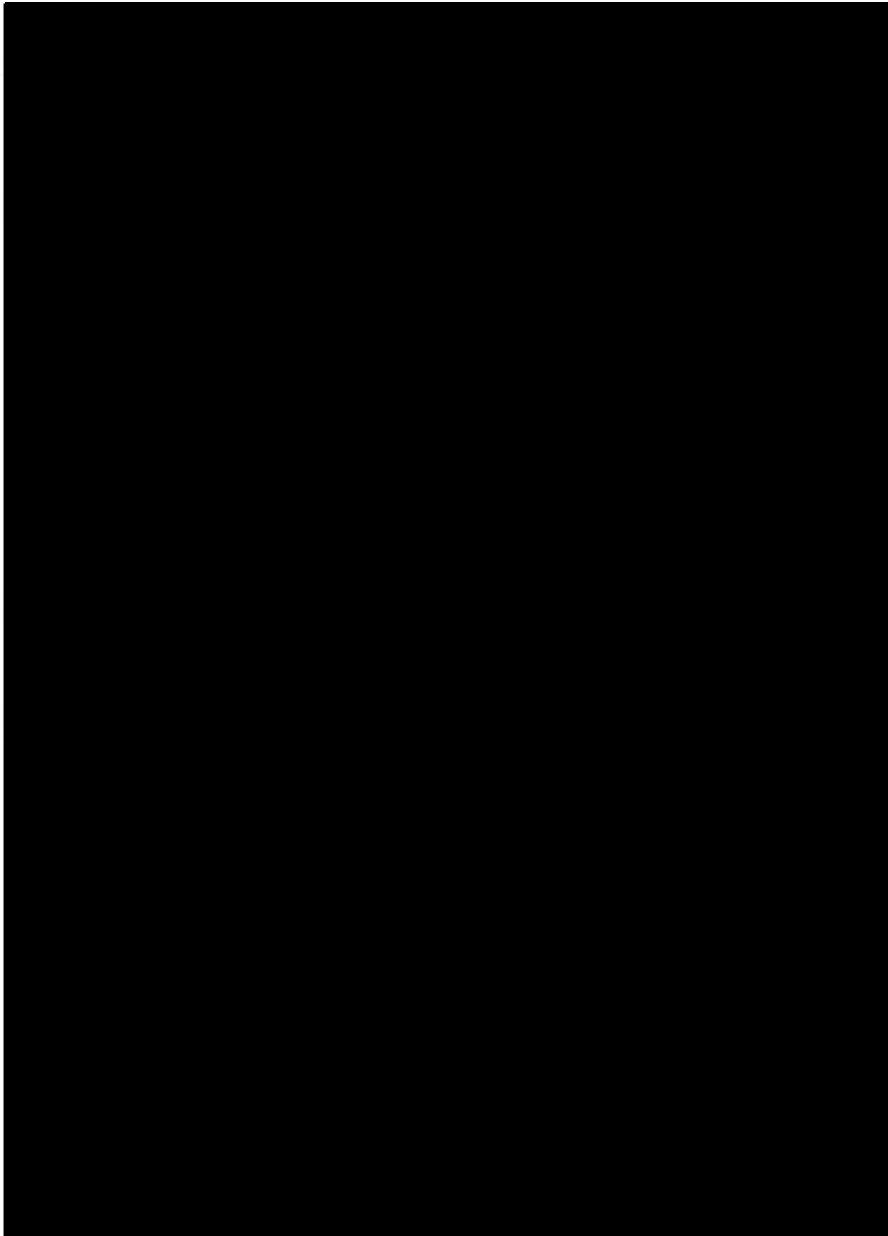
  
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DOCKET COORDINATOR

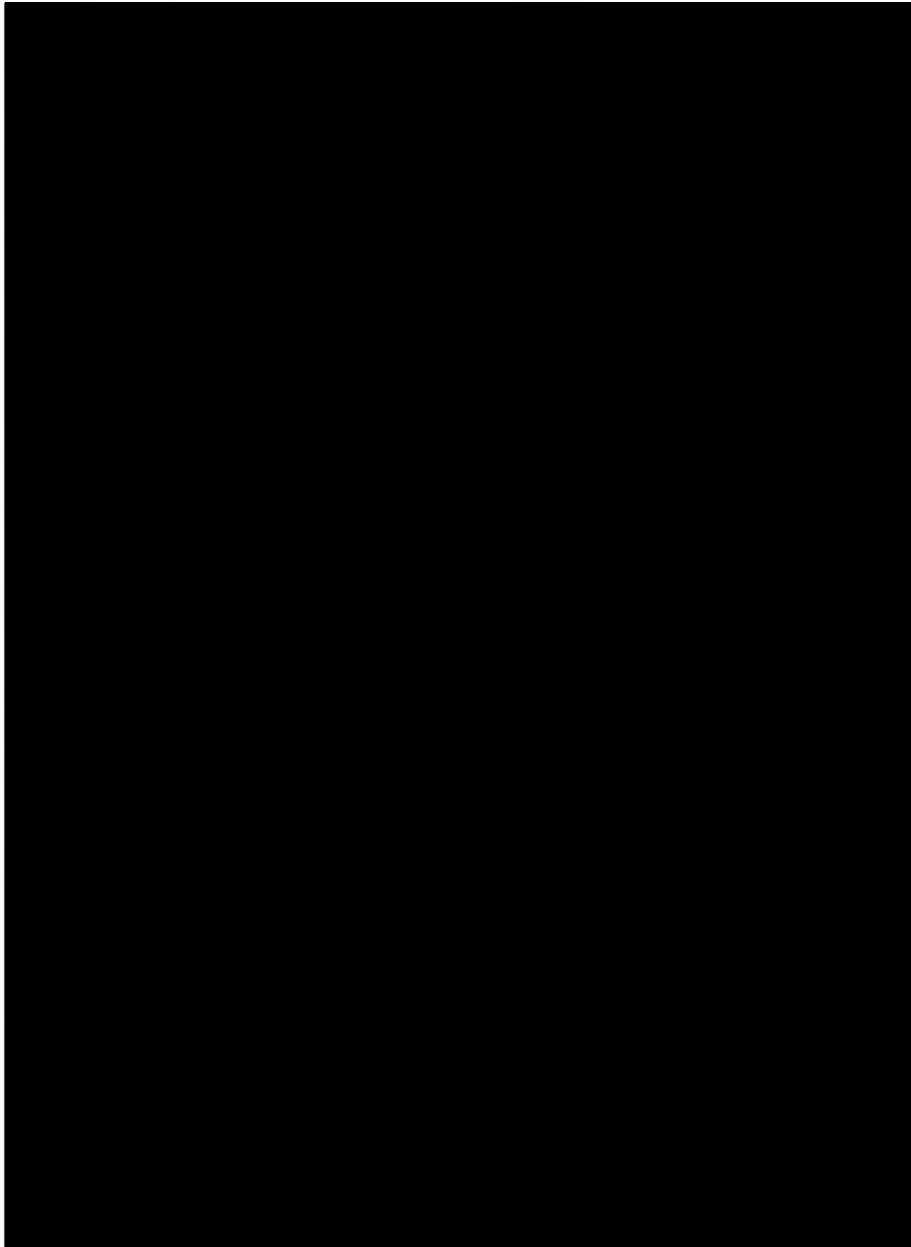
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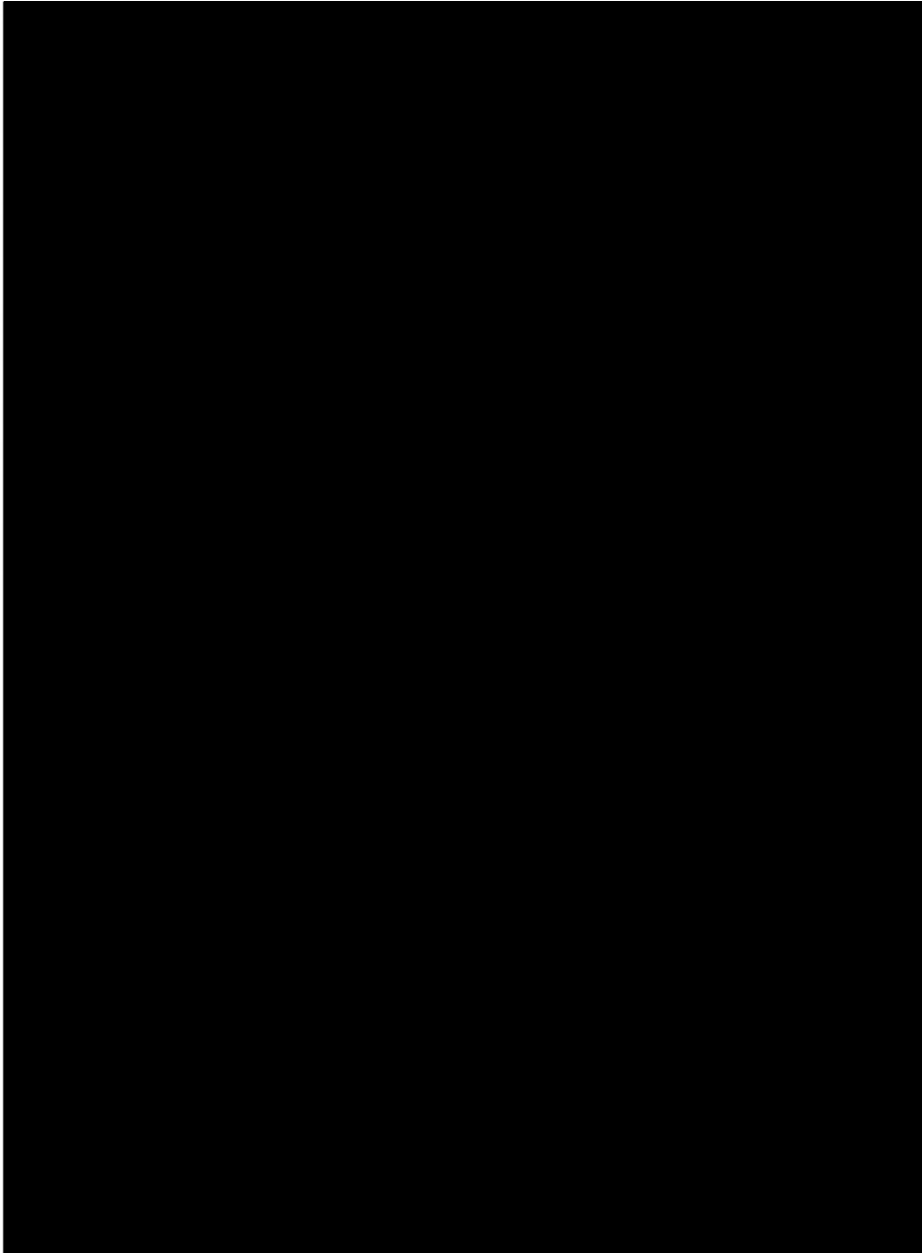
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# Exhibit A

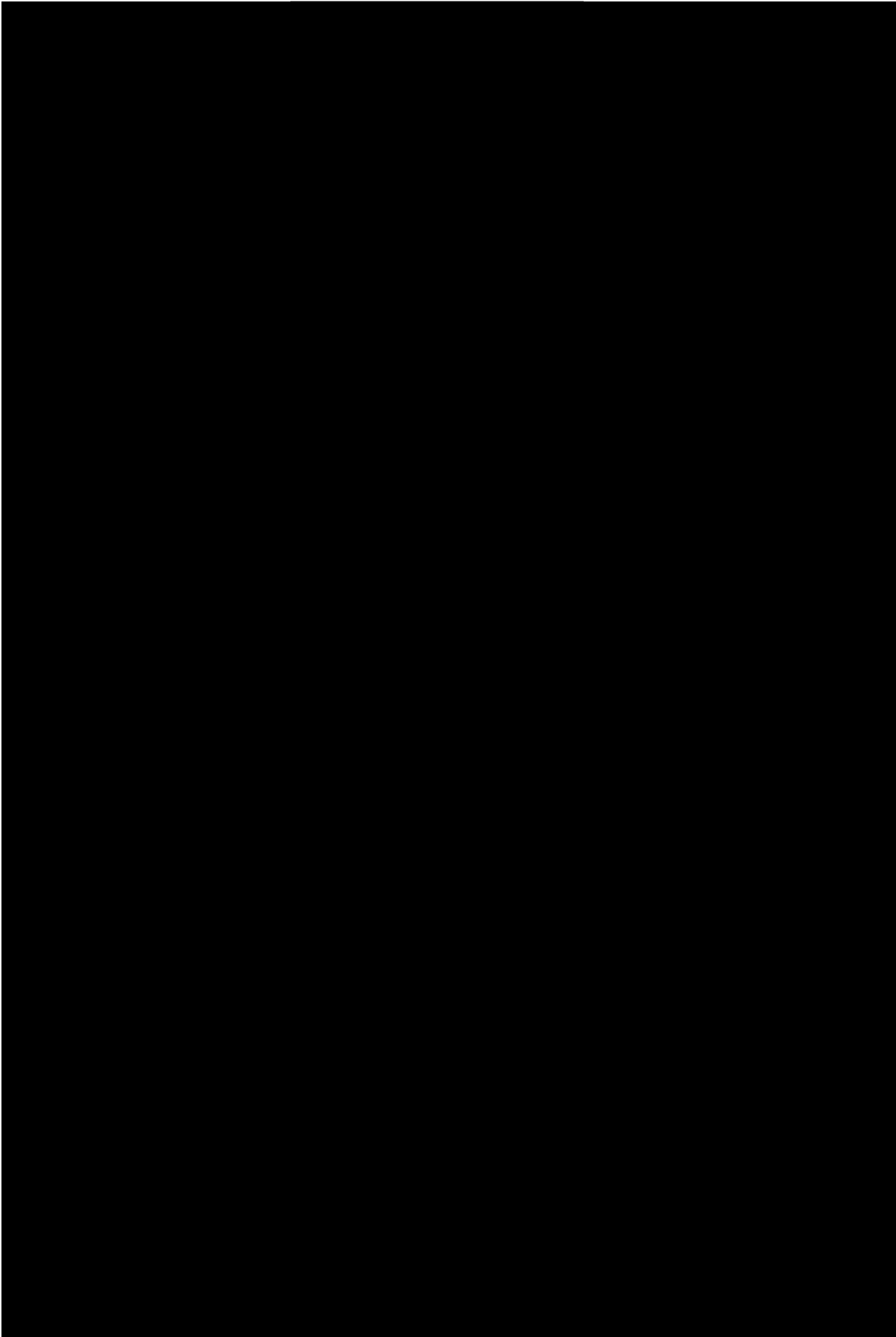


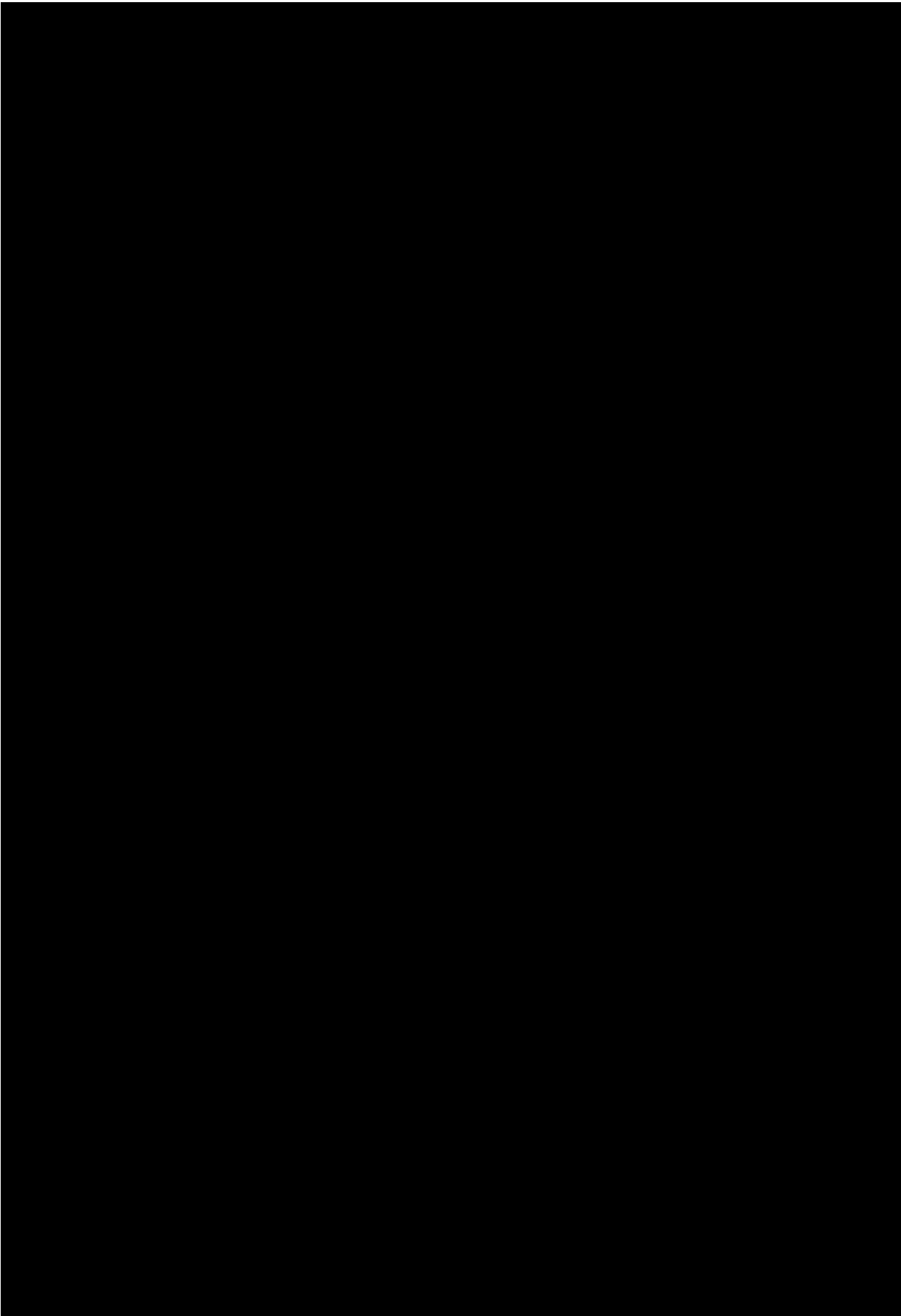


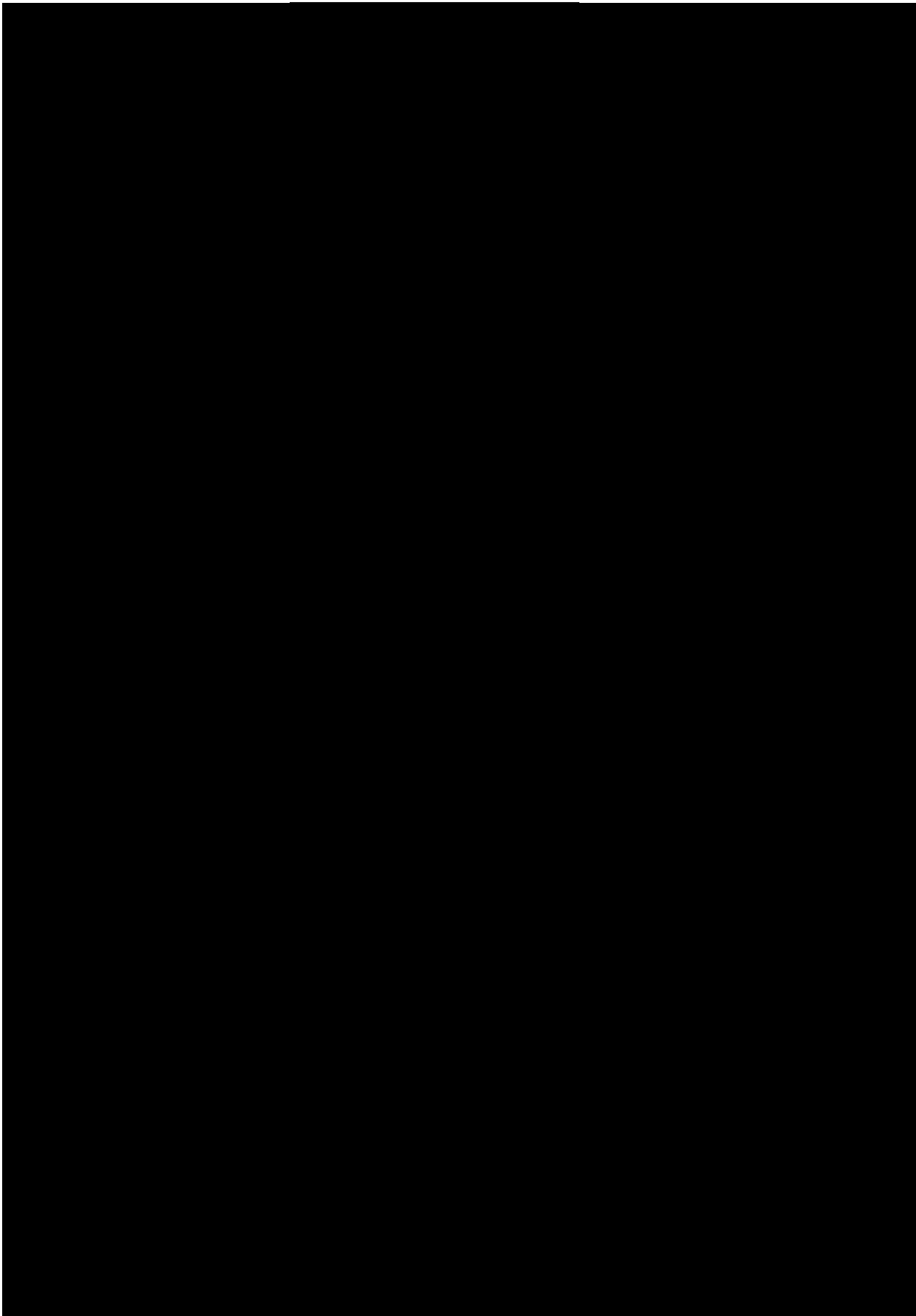














ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

January 28, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Brocklyn Utilities LLC WWTP  
AI No. 2809  
Case No. DOW-19-3-0150  
Activity No. ERF20190001  
Facility ID: KY0081299  
Madison County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 13, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water ("DOW") has the following comment regarding the CAP:

- It is recommended that any repairs made to the steel walls of the treatment plant be designed and reviewed by a licensed structural engineer.

Feel free to contact me at 502-782-8638 or [wesley.dement@ky.go](mailto:wesley.dement@ky.go) should you have any questions or concerns.

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement



KentuckyUnbridledSpirit.com

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Opportunity Employer M/F/D



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet,  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Brocklyn WWTF (KY0081299) submitted to the EEC on 12/13/2019 and approved by the Department on 1/28/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be in extremely poor condition and reaching the end of the useful life of the plant. It was believed that with operational improvements and repairs, the facility may be capable of meeting limits, however the poor condition of various components may fore replacement beyond basic repairs to prevent total failure of the plant. The CAP plan details the poor condition of the site including stormwater washing in-between plant components, washing gravel into the contact chamber, deteriorating tankage of the plant itself, aeration and drop pipes in poor condition, the contact chamber in poor condition, the polishing lagoon cell being full of sludge, and the need of flow monitoring and remote monitoring to properly evaluate I&I issues at the facility.

The CAP laid out milestones for repairs, evaluation, and basic improvements at the facilities. The milestones included replacement and repair of aeration drop pipes, diffusers, the contact chamber, the tablet feeders for chlorination and dechlorination, cleaning and jetting of the collection system, installation of a remote monitoring system and flow meter, and attempted repair of the tankage. The projected milestones were completed in the schedule laid out by the CAP plan. Following the period of repairs and operational improvement, it has been determined that the tankage condition is too poor to be adequately repaired. Some portions of the tank are so rusted that the wastewater is in contact with soil surrounding the tank. Repairs would require extensive excavation and likely result in the total collapse of the tank. Therefore, to ensure the facility will be able to function, a complete overhaul and replacement is necessary.

Bluegrass Water has submitted plans and construction permits for review by the EEC/DEP and KYPSC. The facility design includes installation of an influent lift station, MBBR activated sludge system, clarifier, and a new contact chamber for peroxyacetic acid disinfection system and post aeration. The new plant is designed reliably meet limits.

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
 Utility Engineer

(314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 Brocklyn WWTF  
 KYPDES Permit No. KY0081299  
 Agency Interest No. 2809


### Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Brocklyn WWTF approved by EEC/DEP on 1/28/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the plant is in better shape than it was at acquisition. Basic cleanup of the site, repairs to the contact chamber (including extending the walls to prevent continued overflows, installation of riprap in the drainage ditch to prevent further erosion, and a full cleanout of the lagoon cell have been completed since acquisition. As discussed previously, the tankage of the Brocklyn extended aeration plant is severely deteriorated with wastewater coming in direct contact with soils in the basin where walls are deteriorating. It has been determined that attempting to excavate around the outside and repair the tank or draining the tanks to make repairs would result in the tank collapsing completely and therefore the plant needs to be replaced. Construction permits for a MBBR extended aeration plant have been submitted and are in the permit approval process, KYDEP is currently having Bluegrass explore the possibility of connecting to a nearby POTW. As part of this process, we recently conducted flow monitoring and submitted actively monitored flow data to the POTW to evaluate feasibility of connecting. Until it is determined if the plant will be replaced or a connection made to the POTW the plant will continue to operate as is. It is currently consistently meeting limits, but the deteriorating condition of the plant still requires action.

Whether the solution is replacing the plant, or connecting to the POTW, Bluegrass hopes to proceed quickly with improvements following permit approval. We believe that work will proceed quickly following approval of the permit and expect to complete the improvements at Brocklyn by July 18, 2022, assuming the permit is issued in the near future. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits

Sincerely,

**JON MEANY**  
 Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Brocklyn WWTF  
KYPDES Permit No. KY0081299  
Agency Interest No. 2809

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common good & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Brocklyn will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Brocklyn WWTF  
KYPDES Permit No. KY0081299  
Agency Interest No. 2809

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. BGUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWOUC continues to encounter delays with materials for the on-going capital project for the aeration rehabilitation improvements. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Brocklyn will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", with a stylized flourish at the end.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager





March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Brocklyn WWTF  
KYPDES Permit No. KY0081299  
Agency Interest No. 2809

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023.

Construction was recently completed at this facility including all the repairs and upgrades proposed by our third-party engineering firm. The facility effluent will be complaint with the operating permit on March 31, 2023

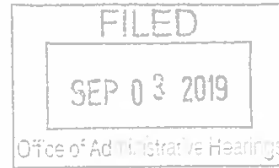
Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", with a stylized flourish at the end.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager

J. Horne



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0149

IN RE: Bluegrass Water Utility Operating Company, LLC  
Airview Estates Subdivision Wastewater Treatment Plant  
West Airview Drive  
Elizabethtown, KY 42701  
AI No. 1643  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Airview Estates Subdivision Wastewater Treatment Plant (hereinafter "Airview WWTP" or "facility"), is located at West Airview Drive, Elizabethtown, Kentucky 42701. The facility has a design capacity of 0.055 million gallons per day and discharges to an unnamed tributary to Mill Creek Branch.
4. Airview WWTP is currently owned and operated by Airview Utilities, LLC. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems

(hereinafter "KPDES") permit number KY0045390, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expired on January 31, 2014, however, the DOW has administratively continued the permit to allow the facility to operate under its expired permit.

5. Airview Utilities, LLC is an active Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Airview WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Airview WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Airview WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Airview WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Airview WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5.065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes, proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.

- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.
- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

### MISCELLANEOUS PROVISIONS

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Airview WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons

for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

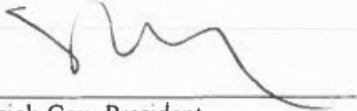
**TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

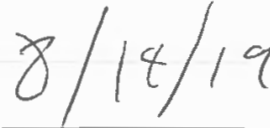


**AGREED TO BY:**

**CASE NO. DOW 19-3-0149**




Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC



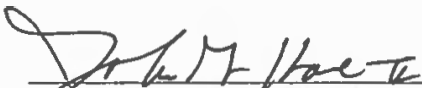
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CASE NO. DOW 19-3-0149

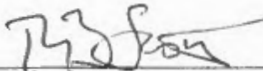
APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
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R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

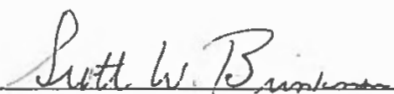
8/29/19  
Date

CASE NO. DOW 19-3-0149

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0149

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

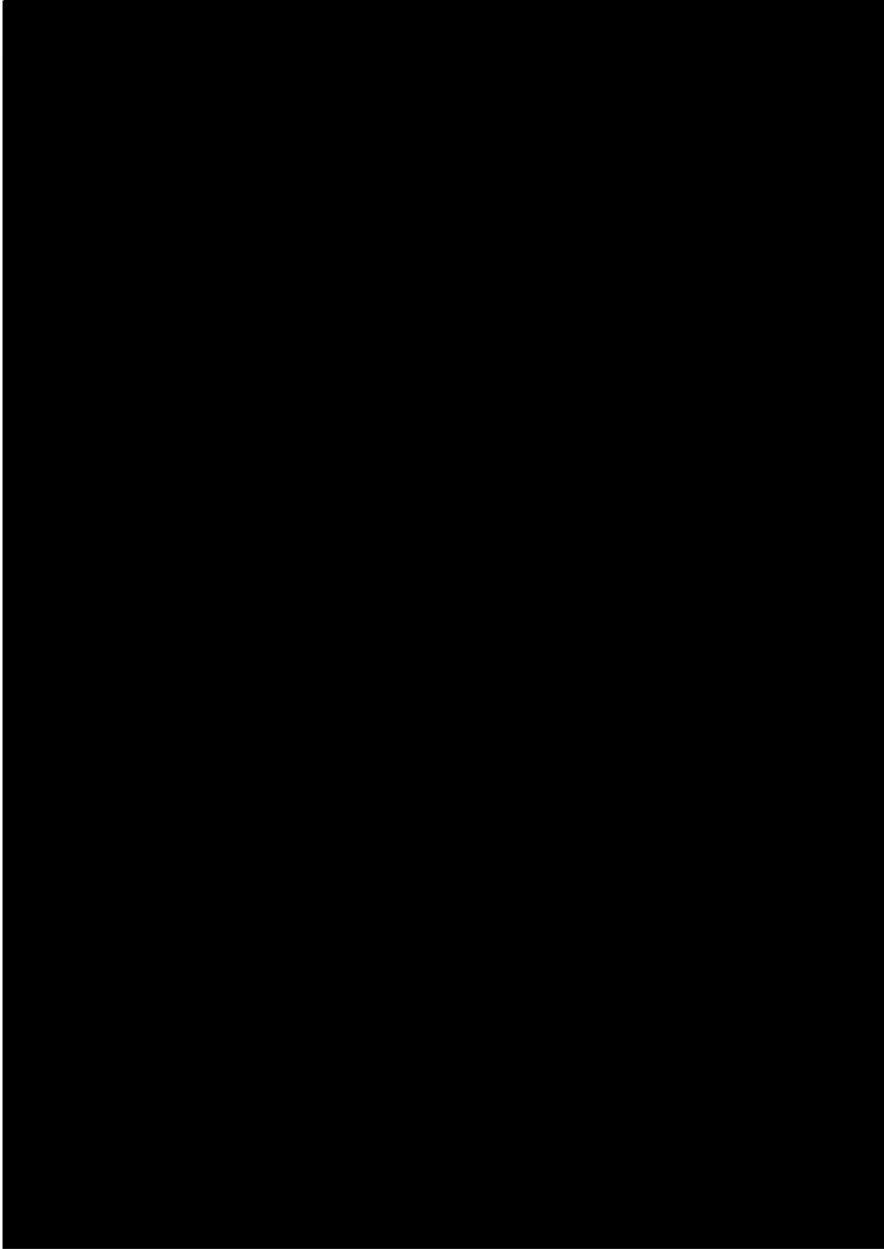
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

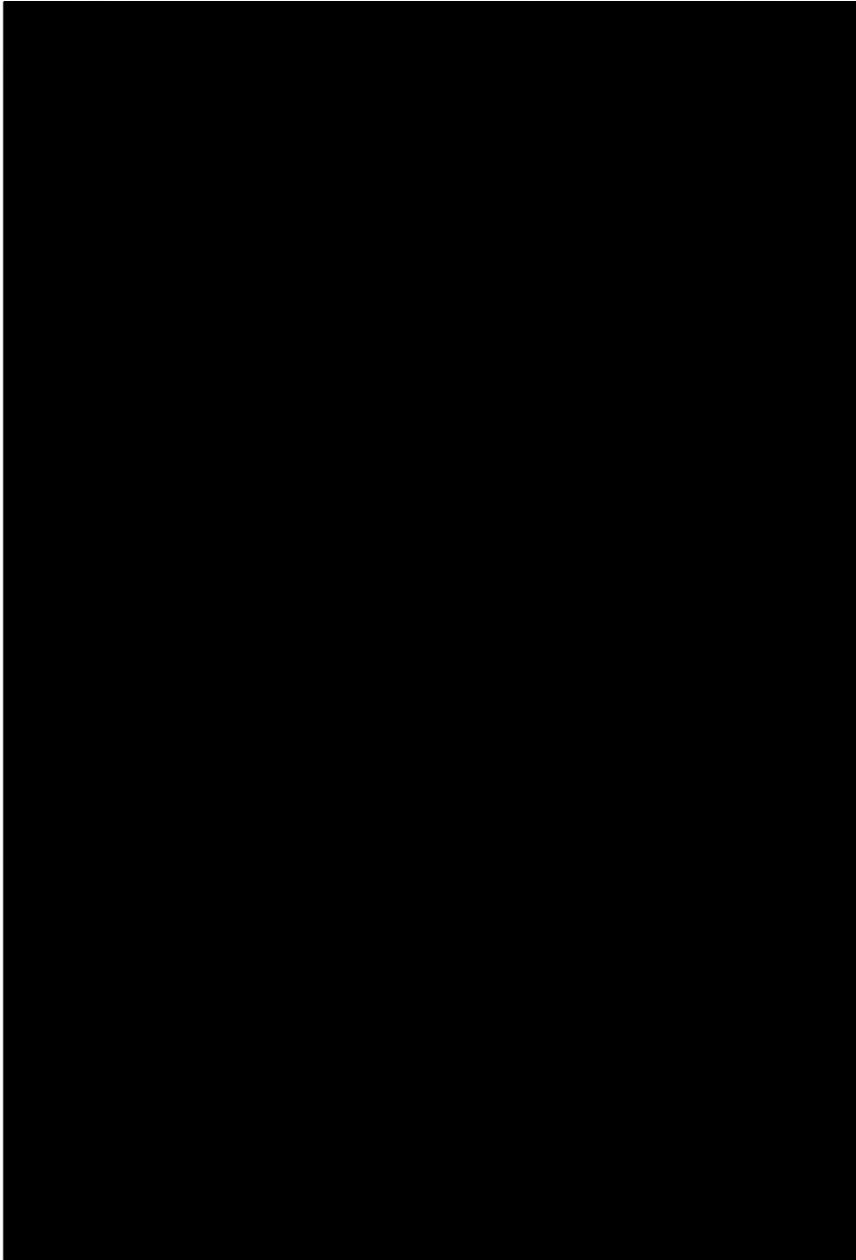
  
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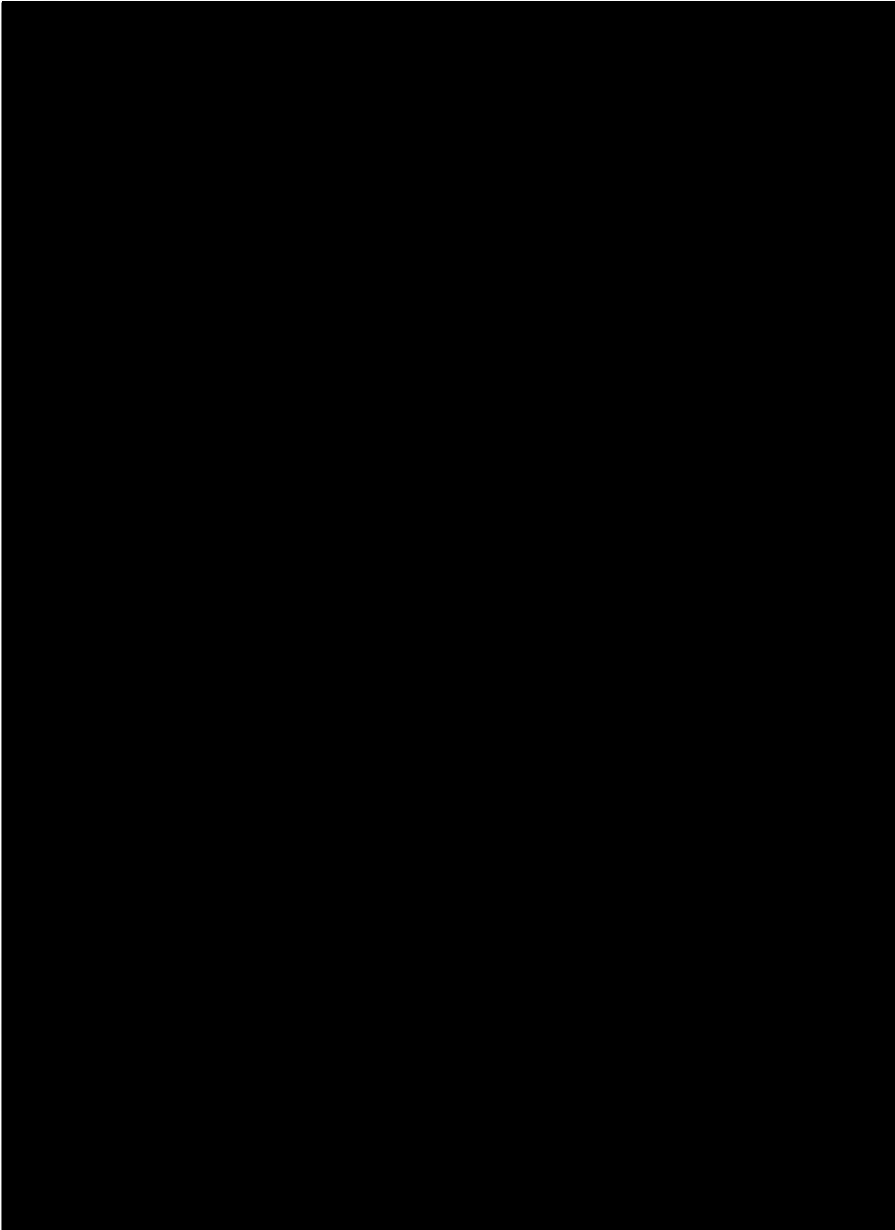
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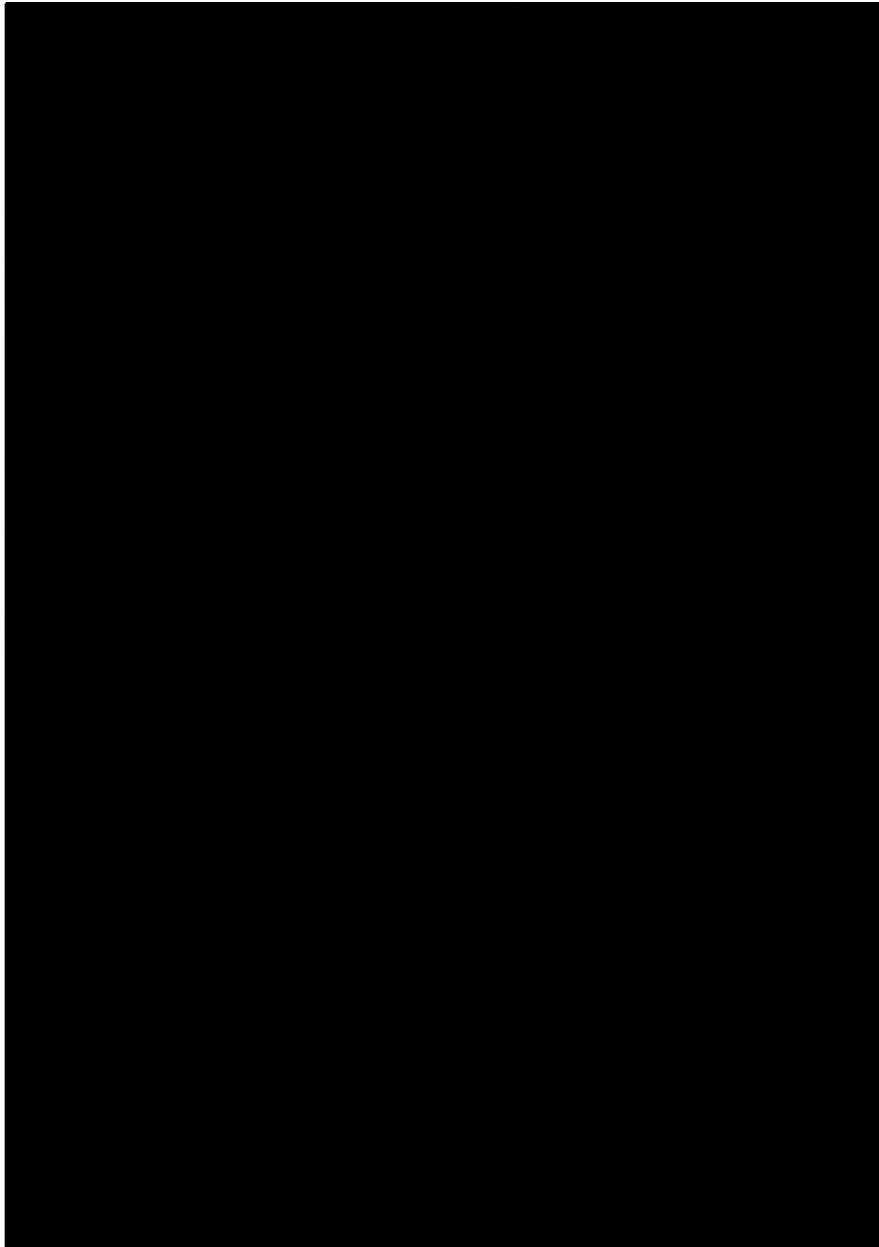
# Exhibit A

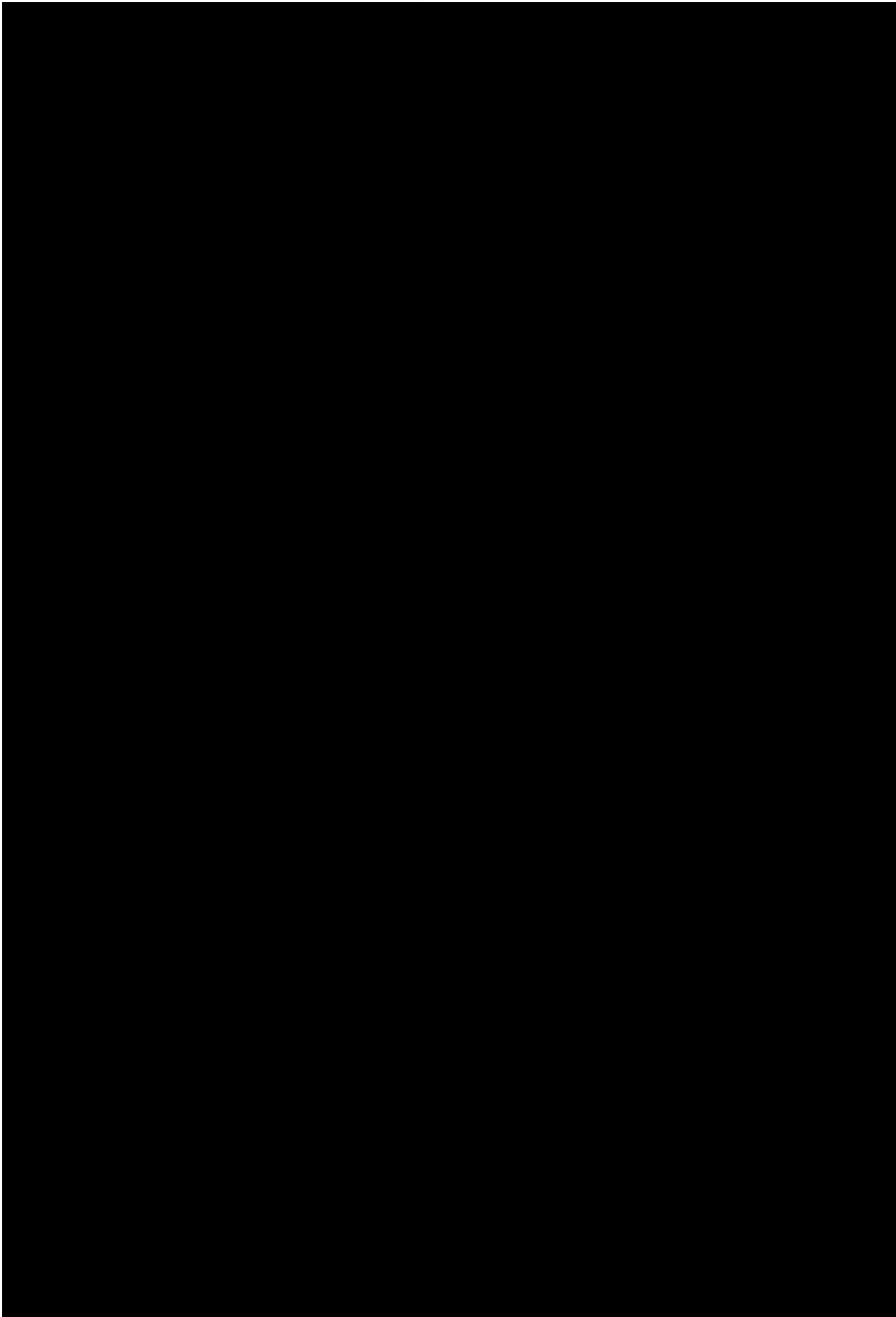


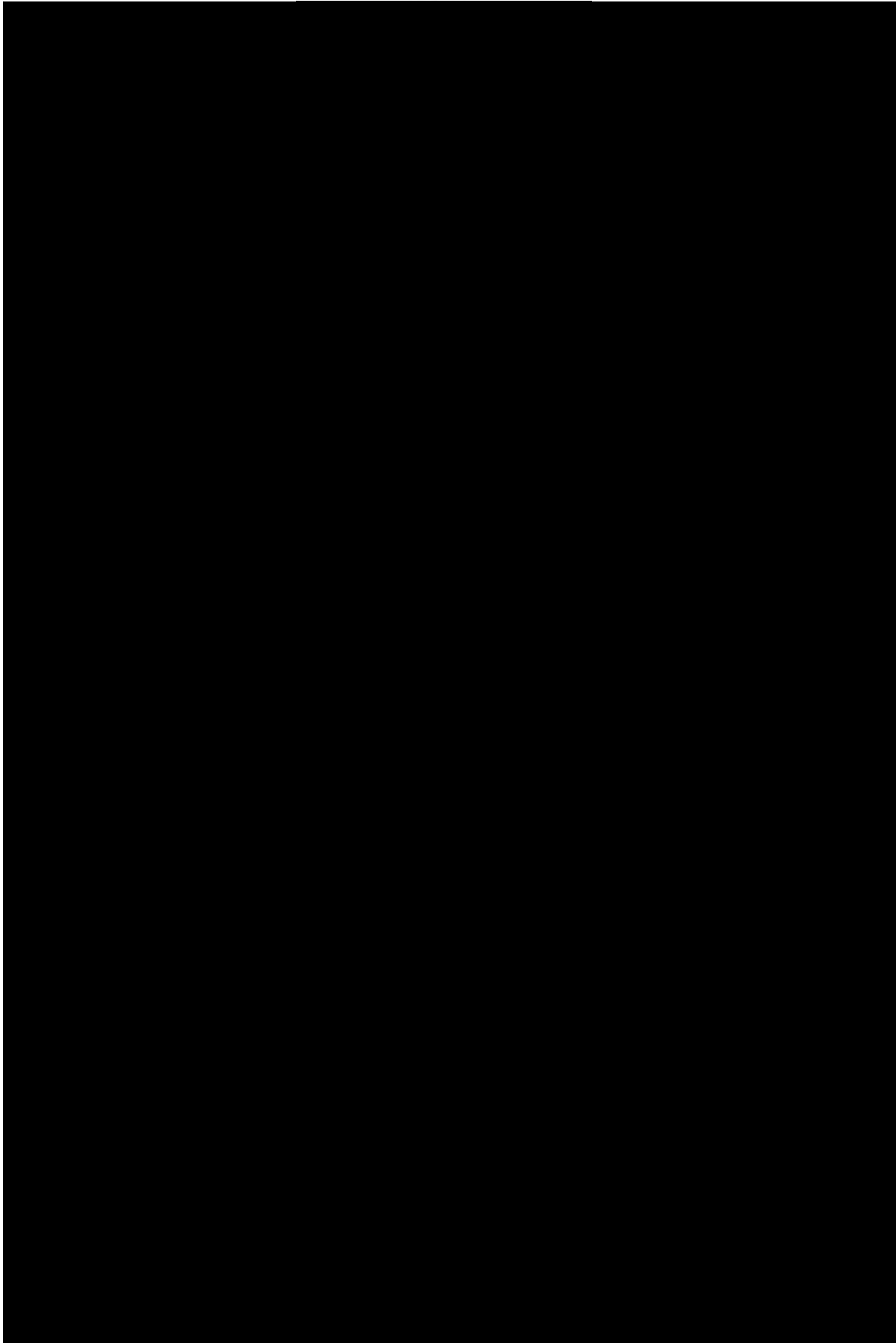


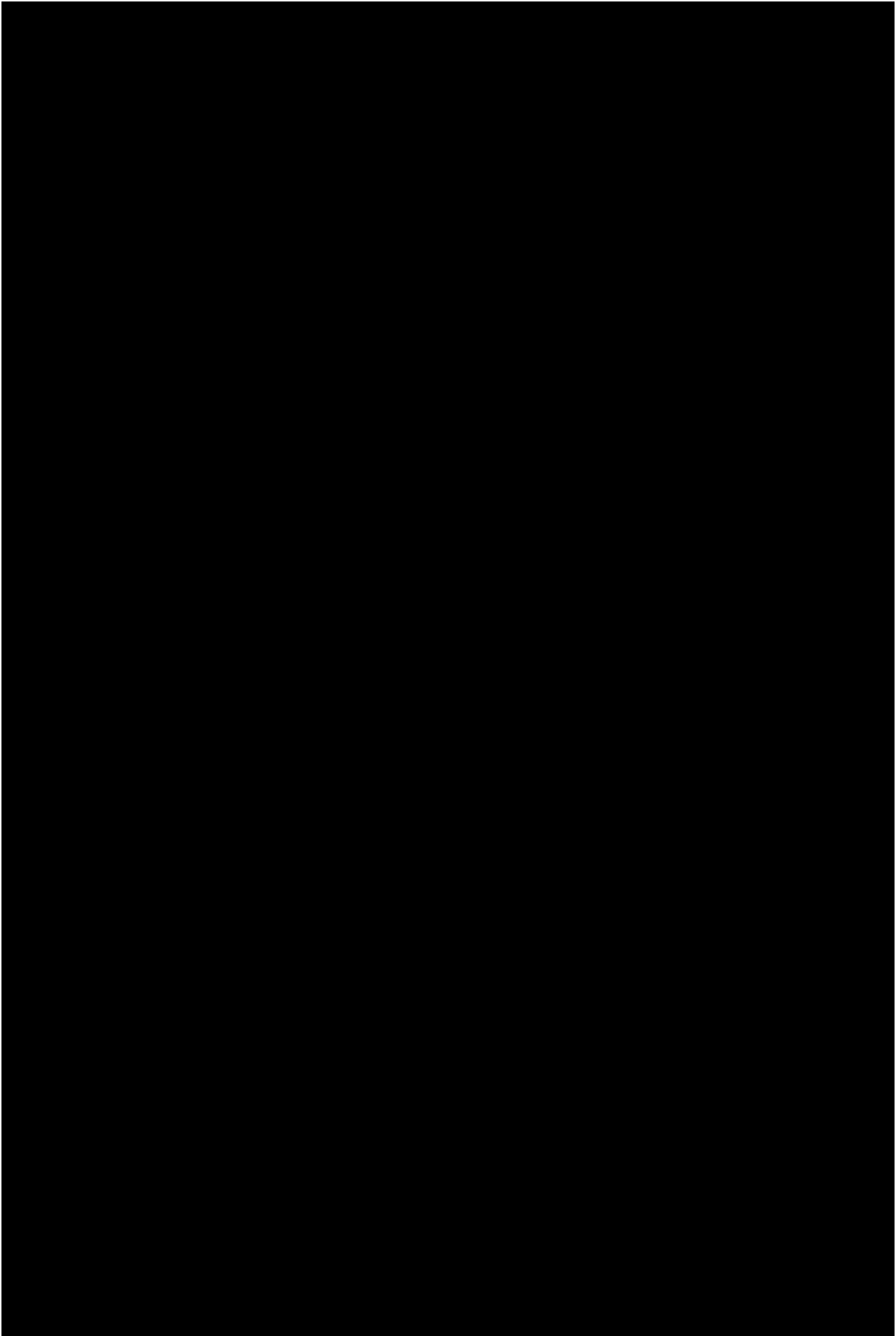














ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

January 28, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Airview WWTP  
AI No. 1643  
Case No. DOW-19-3-0149  
Activity No. ERF20190001  
Facility ID: KY0045390  
Hardin County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 17, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.go](mailto:wesley.dement@ky.go) should you have any questions or concerns.

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
Energy and Environment Cabinet  
Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd 3rd floor  
Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Airview WWTF (KY0045390) submitted to the EEC on 12/17/2019 and approved by the Department on 1/28/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP plan documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be in decent condition and adequate to meet the permitted limits, and that exceedances of permitted limits in the past (pH, TSS, E.Coli, TRC, and DO) were the result of operational shortcomings under the previous ownership. We stated that we believed under our operations, the facility would begin to consistently meet limits. At the time the CAP was submitted the plant had begun to meet limits more consistently. The CAP also laid out basic repairs that would be completed at the facility, with anticipated dates of completion for pump repairs for the lift station, installation of remote monitoring and flow monitoring equipment, and spot welding repairs to the aeration tank. All improvements were completed by the anticipated schedule laid out in the CAP.

Throughout the CAP period, testing has been completed at an increased frequency in order to gain more data on the function of the facility. In the last several months the facility has been meeting all limits, with one exception for an E.Coli test which exceeded the weekly average limit, but came into compliance in resampling during the same week and therefore did not result in a violation. Other exceedances during the CAP period were found to be related to cleanout of the plant causing an E.Coli exceedance in March which did not result in a violation after retesting, and an exceedance of the monthly average limit for TSS resulting from the plant being shut off to complete the welding repairs May which did not result in a violation of limits after retesting. Now the general cleanup and operational improvements have been implemented and the plant appears to be capable of consistently meeting limits.

At this time, BWUOC does not believe any process changes will be necessary for the Airview WWTF to continue to meet permitted limits and comply with EEC regulations. However, BWUOC is considering the addition of Flow EQ, and repairs to the lagoon to make the plant more operationally reliable. The department will be informed when and if this work proceeds.

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
Utility Engineer

-  (314) 380-8537 Ext. 215
-  (314) 482-0342
-  (314) 736-4759
-  jmeany@cswrgroup.com
-  1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131



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[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 Airview Subdivision WWTF  
 KYPDES Permit No. KY0045390  
 Agency Interest No. 1643

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Airview WWTF approved by EEC/DEP on 1/28/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the main aeration plant is in much better shape than it was at acquisition. Vegetation has been cleared, handrails installed, and walkways repaired, the bar screen has been repaired, aeration system improvements have been implemented, the effluent line has been repaired, and tanks have been patched and painted. Plant performance has improved significantly and DMR data shows reduced pollutant loading since acquisition.

Per the original CAP, our evaluation following triage improvements has determined that the facility does require a construction permit to complete improvements. A construction permit application was submitted in September of 2020 for these additional improvements. The permit application includes conversion of the abandoned lagoon into wet weather storage, including pumping equipment and clearing and repairing the lagoon berms, as well as removal of the deteriorated concrete tank in the creek. The construction permit has been issued and we have begun to order parts and materials. We believe that work will proceed fairly quickly expect to complete the improvements at Airview by February 18, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Sincerely,

**JON MEANY**

Utility Engineer

📞 (314) 380-8537 Ext. 215  
 📱 (314) 482-0342  
 🖨️ (314) 736-4759  
 ✉️ [jmeany@cswrgroup.com](mailto:jmeany@cswrgroup.com)  
 📍 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

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January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Airview WWTF  
KYPDES Permit No. KY0045390  
Agency Interest No. 1643

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common good & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Airview will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Chavez".

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Airview WWTF  
KYPDES Permit No. KY0045390  
Agency Interest No. 1643

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. BWUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project for the lagoon rehabilitation. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined that the repairs at Airview will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "h W J", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Airview WWTF  
KYPDES Permit No. KY0045390  
Agency Interest No. 1643

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved January 28, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023.

Construction was recently completed at this facility including all the repairs and upgrades proposed by our third-party engineering firm. The facility effluent will be complaint with the operating permit on March 31, 2023

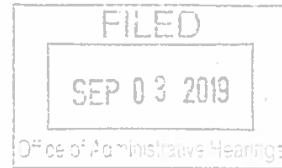
Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager

T. Horne



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0153

IN RE: Bluegrass Water Utility Operating Company, LLC  
Lake Columbia Subdivision Wastewater Treatment Plant  
Zoneton Road and Cedar Creek Road  
Zoneton, KY 40165  
AI No. 458  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Lake Columbia Subdivision Wastewater Treatment Plant (hereinafter "Lake Columbia WWTP" or "facility"), is located at Zoneton Road and Cedar Creek Road, Zoneton, Kentucky 40165. The facility has a design capacity of 0.012 million gallons per day and discharges to an unnamed tributary to Cedar Creek.
4. Lake Columbia WWTP is currently owned and operated by Lake Columbia Utilities, Inc. The facility's discharges are permitted under Kentucky Pollutant Discharge

Elimination Systems (hereinafter "KPDES") permit number KY0077674, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on November 30, 2019.

5. Lake Columbia Utilities, Inc. is an inactive for-profit Kentucky corporation in bad standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Lake Columbia WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Lake Columbia WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Lake Columbia WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Lake Columbia WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Lake Columbia WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes, proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.

- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.
- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

### MISCELLANEOUS PROVISIONS

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Lake Columbia WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons



for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

**AGREED TO BY:**



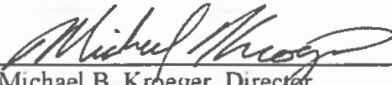
\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

**CASE NO. DOW 19-3-0153**


8/14/19  
\_\_\_\_\_  
Date

CASE NO. DOW 19-3-0153

APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Horne II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/28/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

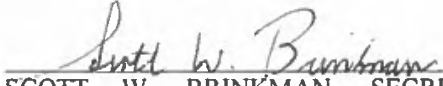
8/28/19  
Date

CASE NO. DOW 19-3-0153

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0153

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd  
Frankfort, Kentucky 40601

John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

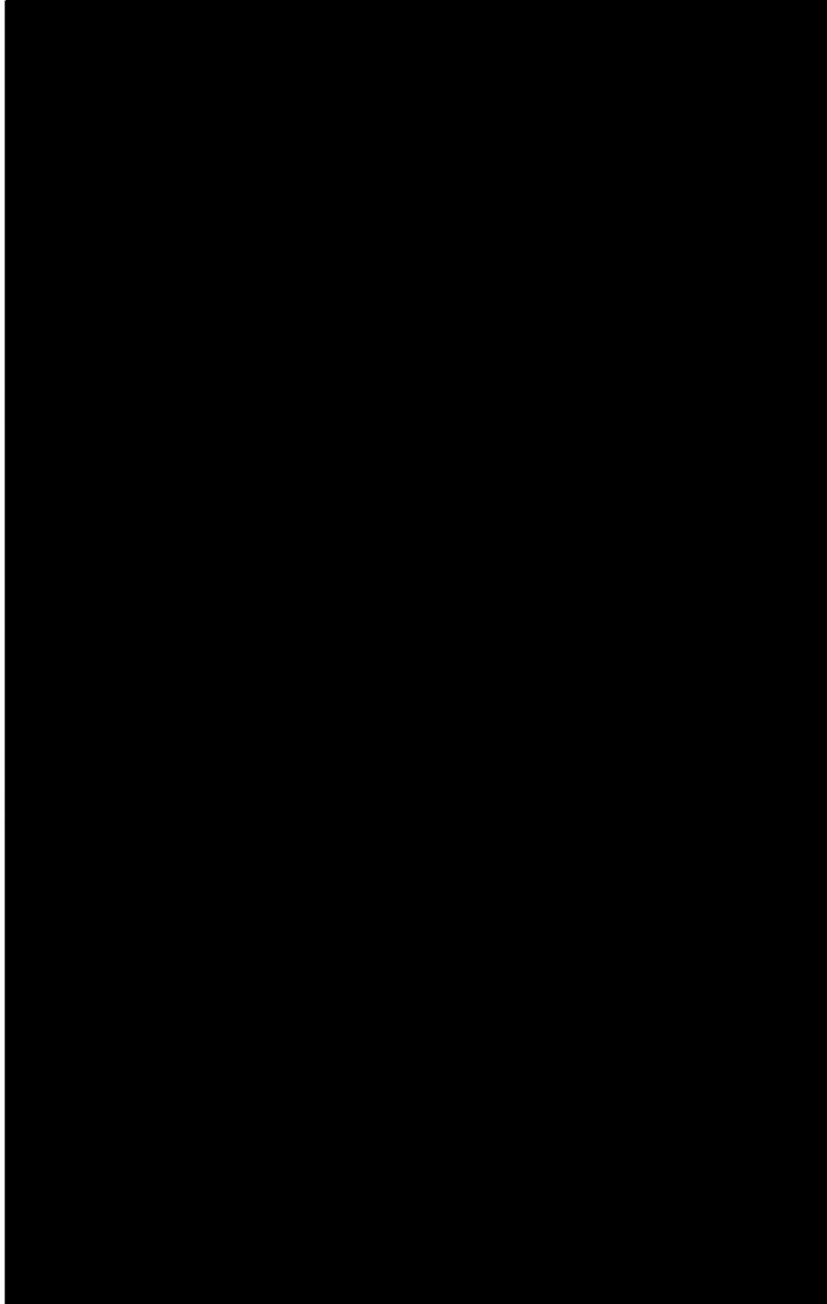
  
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DOCKET COORDINATOR

Distribution:

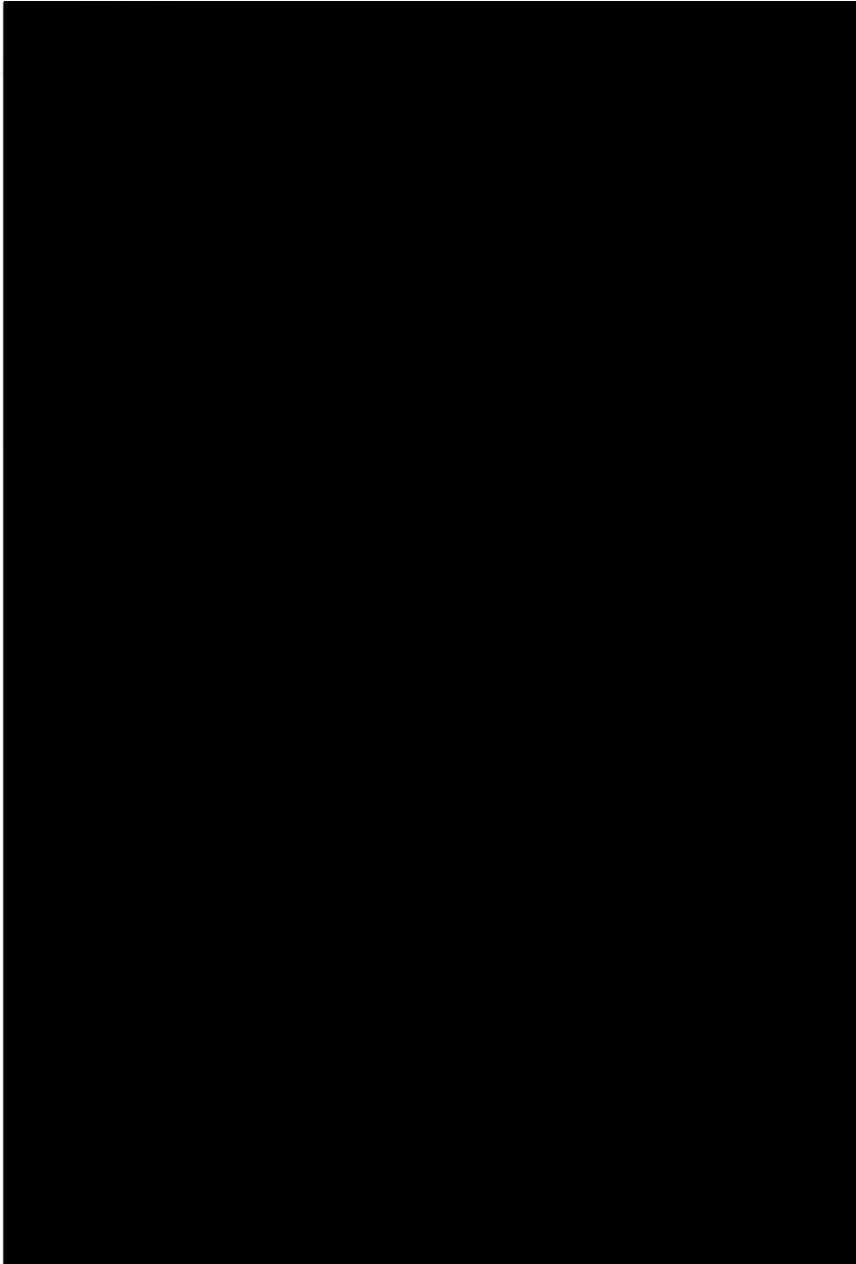
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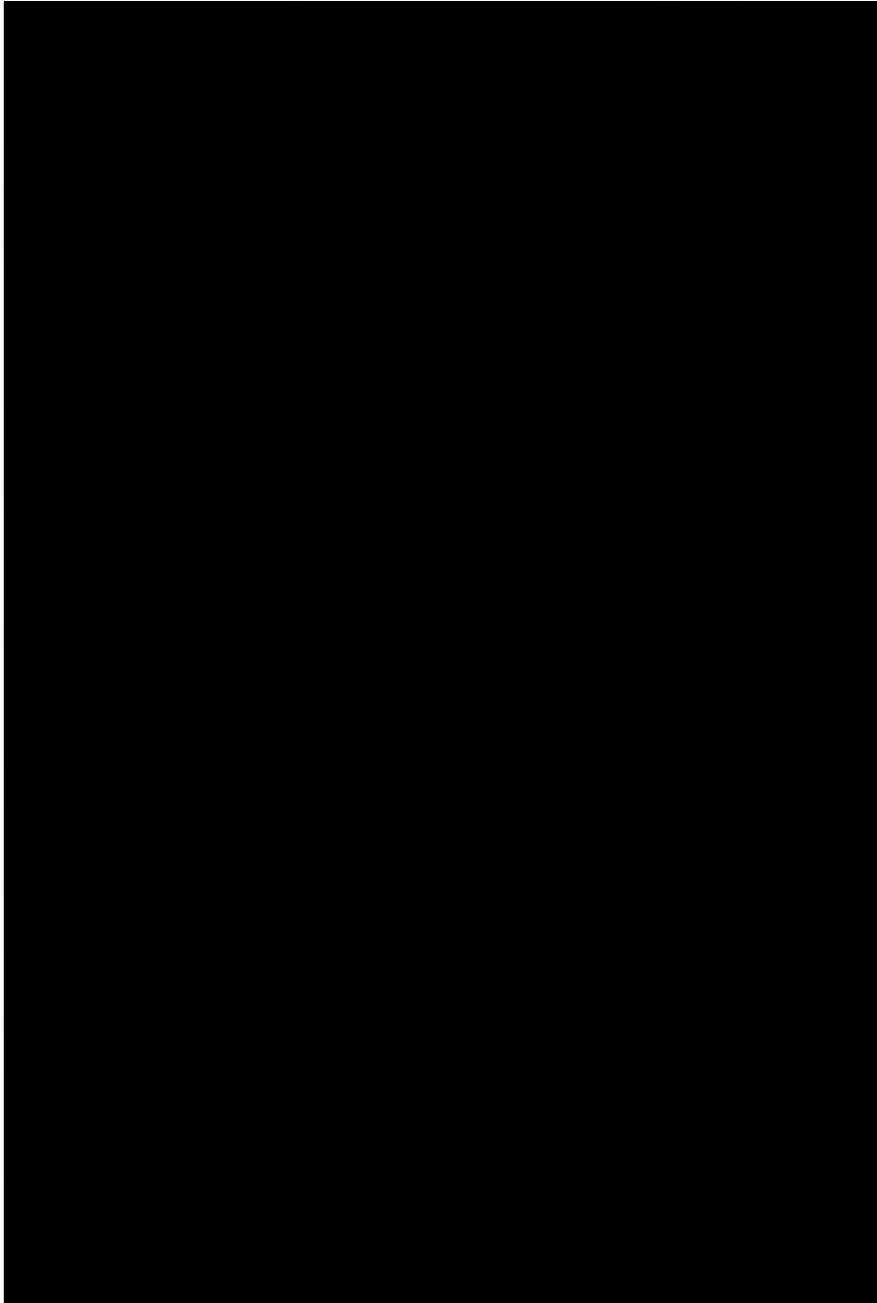
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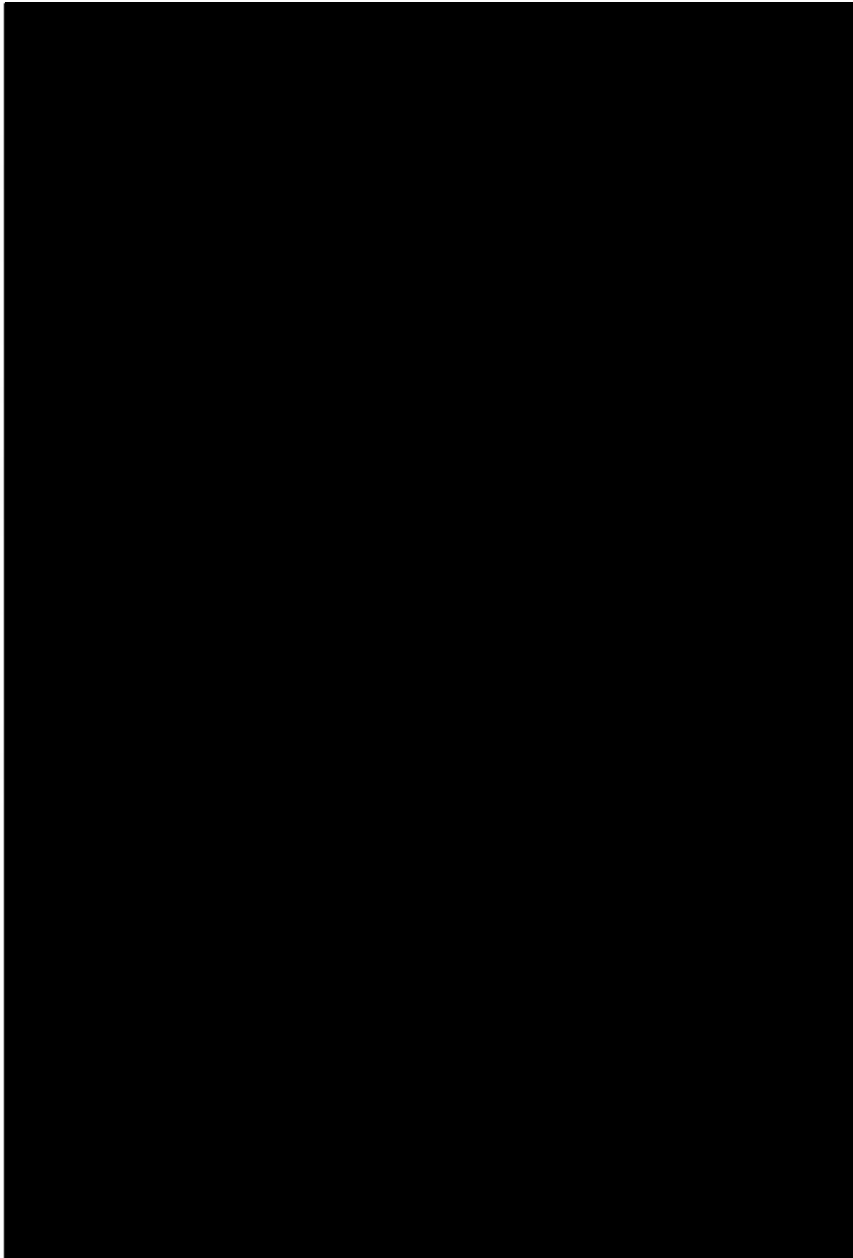
# Exhibit A

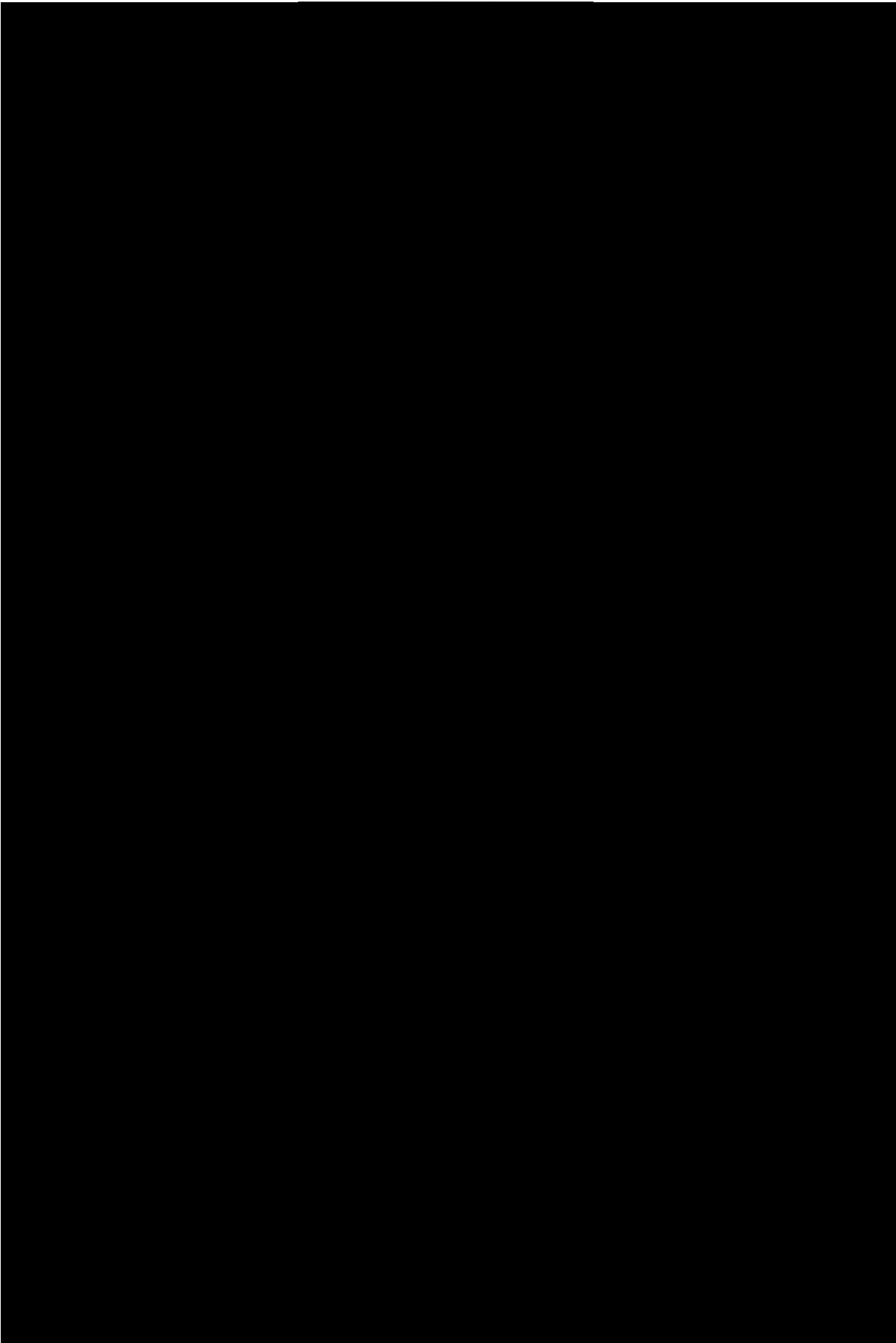


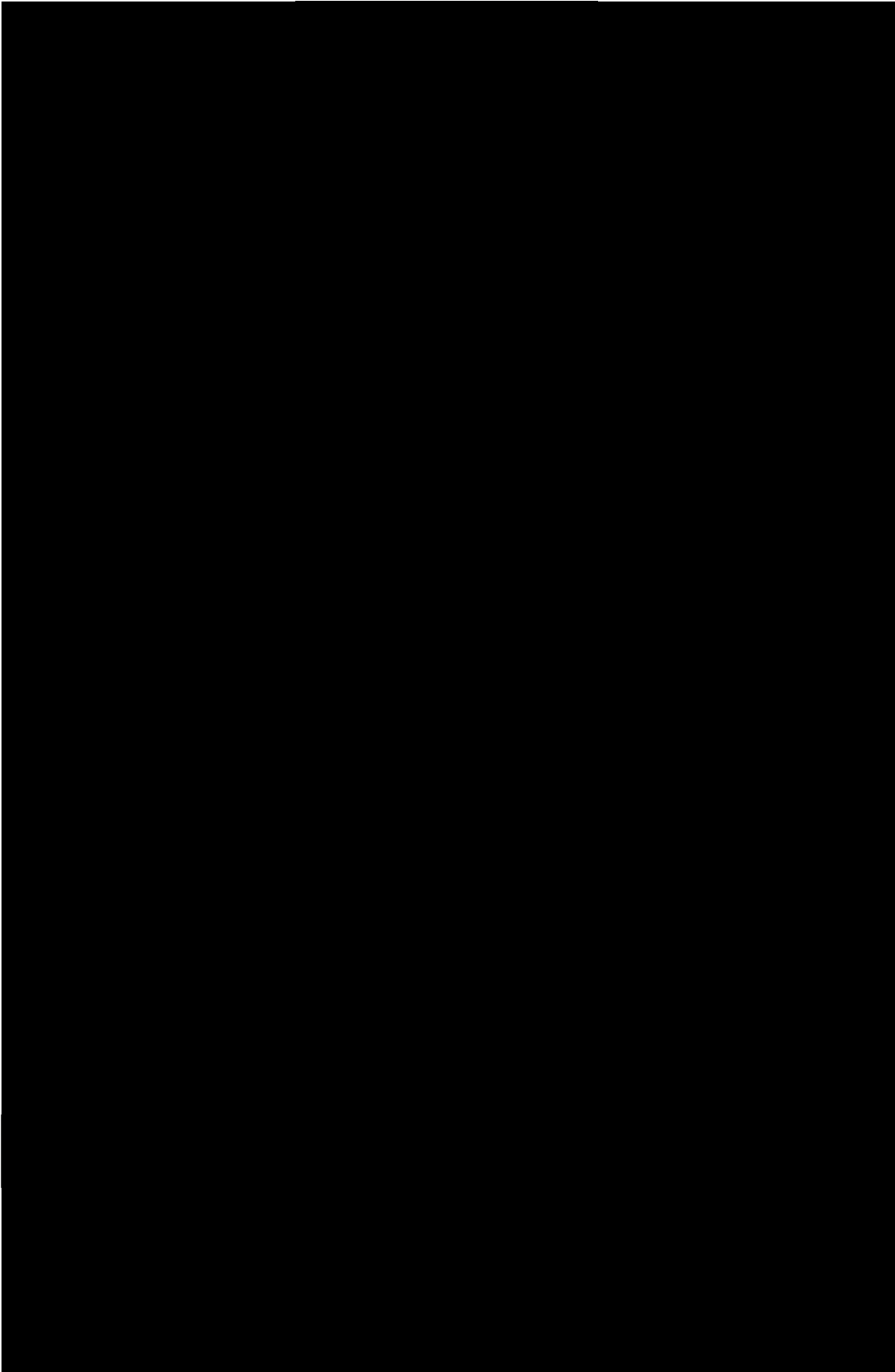














ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

February 17, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Lake Columbia WWTP  
AI No. 458  
Case No. DOW-19-3-0153  
Activity No. ERF20190001  
Facility ID: KY0077674  
Bullitt County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 20, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns.

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement





## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
Energy and Environment Cabinet  
Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd 3rd floor  
Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Lake Columbia WWTF (KY0077674) submitted to the EEC on 12/20/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP plan documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be functionally capable of meeting limits, and had fallen short in the past due to a failure to properly maintain the plant and poor operations by previous ownership. Prior to acquisition the facility had a history or exceedances including CBOD, TRC, E.Coli, Ammonia and TSS. At takeover, the initial tests showed exceedances of TSS and E.Coli. We stated that we believed under our operations and with repairs, the facility would begin to consistently meet limits.

Even at the time the CAP was submitted, our preliminary repairs and operational improvements had caused the plant to begin to meet limits more consistently. For example, the pattern of continuous Ammonia violations essentially ended when we took over with only one exceedance in October of 2019 after exceedances for the previous 12 testing periods. Improvements were made at the plant in accordance with the predicted schedule in the CAP. These improvements included rebuilding the influent bar screen, replace mechanism for feeding chlorine and dechlorination tablets into contact chamber, installation magnetic flow meter and mission remote monitoring, and spot-welding repairs to the aeration tank.

Throughout the CAP period, there have been a few exceedances related to work being performed at the plant. The issues seem to be tied to repairing the aeration system at the plant leading to the breakdown of sludge in the plant. This led to pin flock passing through to the contact chamber causing sludge bulking in the contact chamber. This resulted in several issues with TSS and E.Coli. In the most recent month of testing, the facility complied with all permit limits, however, we believe replacing the sludge returns from the clarifier is needed to prevent future issues with sludge in the contact chamber. This replacement should prevent future issues with TSS and E.Coli.

We believe that the replacement of the sludge returns should be complete by 7/31/2020 followed by additional operational observation to ensure that additional improvements are not necessary. We would request to extend the CAP and send an additional update by 8/31/2020 concerning any further necessary repairs at the plant. Please let us know if this course of action is acceptable.

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
Utility Engineer

-  (314) 380-8537 Ext. 215
-  (314) 482-0342
-  (314) 736-4759
-  jmeany@cswrgroup.com
-  1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131



1650 Des Peres Rd, Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)





## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Lake Columbia WWTF (KY0077674) submitted to the EEC on 12/20/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be functionally capable of meeting limits, but had fallen short in the past due to a failure to properly maintain the plant and poor operations by previous ownership. Prior to acquisition the facility had a history or exceedances including CBOD, TRC, E.Coli, Ammonia and TSS. At takeover, the initial tests showed exceedances of TSS and E.Coli.

Our preliminary repairs and operational improvements had caused the plant to begin to meet limits more consistently. Improvements were made at the plant in accordance with the predicted schedule in the CAP. These improvements included rebuilding the influent bar screen, replace mechanism for feeding chlorine and dechlorination tablets into contact chamber, installation magnetic flow meter and mission remote monitoring, and spot-welding repairs and painting the aeration tank. While the improvement was significant, it was determined that the sludge returns also needed to be replaced for the facility to consistently meet limits per the status report submitted 6/30/2020. These returns were replaced by 7/31/2020.

We feel that the facility is now capable of consistently meeting the permitted limits, however, to ensure the facility will function optimally we are considering two additional improvements. First, we are considering the addition of a sludge holding tank to help the facility better cycle sludge. Additionally, we are evaluating switching from chlorine and dechlorination to peroxyacetic acid and post aeration for disinfection at some point in the future to reduce operational costs. Should these improvements be pursued, BWUOC will submit construction permit applications for review by EEC/DEP and KYPSC

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
 Utility Engineer

☎ (314) 380-8537 Ext. 215  
 📞 (314) 482-0342  
 📠 (314) 736-4759  
 ✉ jmeany@cswrgroup.com  
 📍 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Lake Columbia WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

### Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Lake Columbia WWTF approved by EEC/DEP on 1/28/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the aeration plant is in better shape than it was at acquisition. At acquisition, the plant headworks was completely deteriorated, the aeration basin had large holes rusted through in many places, the sludge returns and aeration piping were damaged and not functioning properly, the blower housing was falling apart and the blower was damaged, walkways and handrails were missing or damaged, the contact chamber was falling apart and had holes rusted in it, and there was evidence of overflows from different parts of the plant. The contact chamber and headworks/barscreen tanks were determined to be in need of complete overhaul due to poor condition. Yard piping was replaced to route wastewater from the headworks to the plant and from the plant to the contact chamber. The aeration tankage was sanded, welded and patched, and painted to extend the life of the tanks. The damaged portions of the aeration system were repaired and/or replaced as needed to restore proper function and treatment to the plant. New walkways and handrails were installed. With these upgrades the plant is currently meeting limits, however the plant still struggles during rain events and has very little capacity for handling solids, requiring regular solids removal to prevent a reduced treatment capacity.

Per the original CAP, our evaluation following triage improvements has determined that the facility does require a construction permit to complete improvements. To improve the facility's ability to handle solids and to prevent the plant from being overwhelmed during rain events, a construction permit application has been submitted for the installation of wet weather storage basin and a new sludge digester. The construction permit has been issued and we have begun to order parts and materials. We believe that work will proceed fairly quickly expect to complete the improvements at Lake Columbia by February 18, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Sincerely,

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

**JON MEANY**  
Utility Engineer

-  (314) 380-8537 Ext. 215
-  (314) 482-0342
-  (314) 736-4759
-  jmeany@cswrgroup.com
-  1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131



1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Lake Columbia WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common goods & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined the repairs at Lake Columbia will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Lake Columbia WWTF  
KYPDES Permit No. KY0077674  
Agency Interest No. 458

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. Additionally, a revised CAP was submitted on February 24, 2021, that stated the facility would be compliant by February 18, 2022. BWOU submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022.

Construction was recently completed at this facility including all the repairs and upgrades proposed by our third-party engineering firm. The facility effluent will be complaint with the operating permit on September 28, 2022

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



**Andy Beshear**  
GOVERNOR

**ENERGY AND ENVIRONMENT CABINET**  
**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

300 Sower Boulevard  
Frankfort, Kentucky 40601  
Phone: (502) 564-2150  
Fax: 502-564-4245

**Rebecca Goodman**  
SECRETARY

**Anthony R. Hatton**  
COMMISSIONER

November 2, 2022

Bluegrass Water utility Operating Company, LLC  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63704

Re: AI Name: Lake Columbia WWTP  
AI No. 458  
Case No. DOW-19-3-0153  
Activity No. ERF20190001  
Bullitt County

Dear Mr. Chavez:

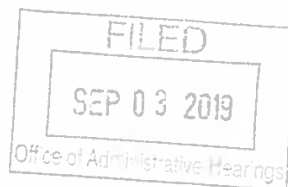
The Division of Enforcement has determined that Bluegrass Water utility Operating Company, LLC has complied with the terms and conditions of the Agreed Order, executed on September 3, 2019. The Division considers Case No. DOW 19-3-0153 resolved and closed. Please contact me at 502-782-5273 or [nicholas.fields@ky.gov](mailto:nicholas.fields@ky.gov) if you have any questions.

Sincerely,

Nicholas Fields  
Environmental Enforcement Specialist  
Division of Enforcement



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0154



*J. J. J. J.*

IN RE: Bluegrass Water Utility Operating Company, LLC  
Longview/Homestead Wastewater Treatment Plant  
3243 Frankfort Road  
Georgetown, KY 40324  
AI No. 8083  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Longview/Homestead Wastewater Treatment Plant (hereinafter "Longview WWTP" or "facility"), is located at 3243 Frankfort Road, Georgetown, Kentucky 40324. The facility has a design capacity of 0.100 million gallons per day and discharges to an unnamed tributary to Elkhorn Creek.
4. Longview WWTP is currently owned and operated by LH Treatment Company, LLC. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination

Systems (hereinafter "KPDES") permit number KY0081591, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on June 30, 2024.

5. LH Treatment Company, LLC is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Longview WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Longview WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Longview WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Longview WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Longview WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065



## Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes, proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed,

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Longview WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or

aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it

concur that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 19-3-0154

AGREED TO BY:




\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC


8/14/19  
\_\_\_\_\_  
Date

CASE NO. DOW 19-3-0154

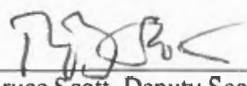
APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet


8/28/19  
Date

CASE NO. DOW 19-3-0154

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET



CASE NO. DOW 19-3-0154

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

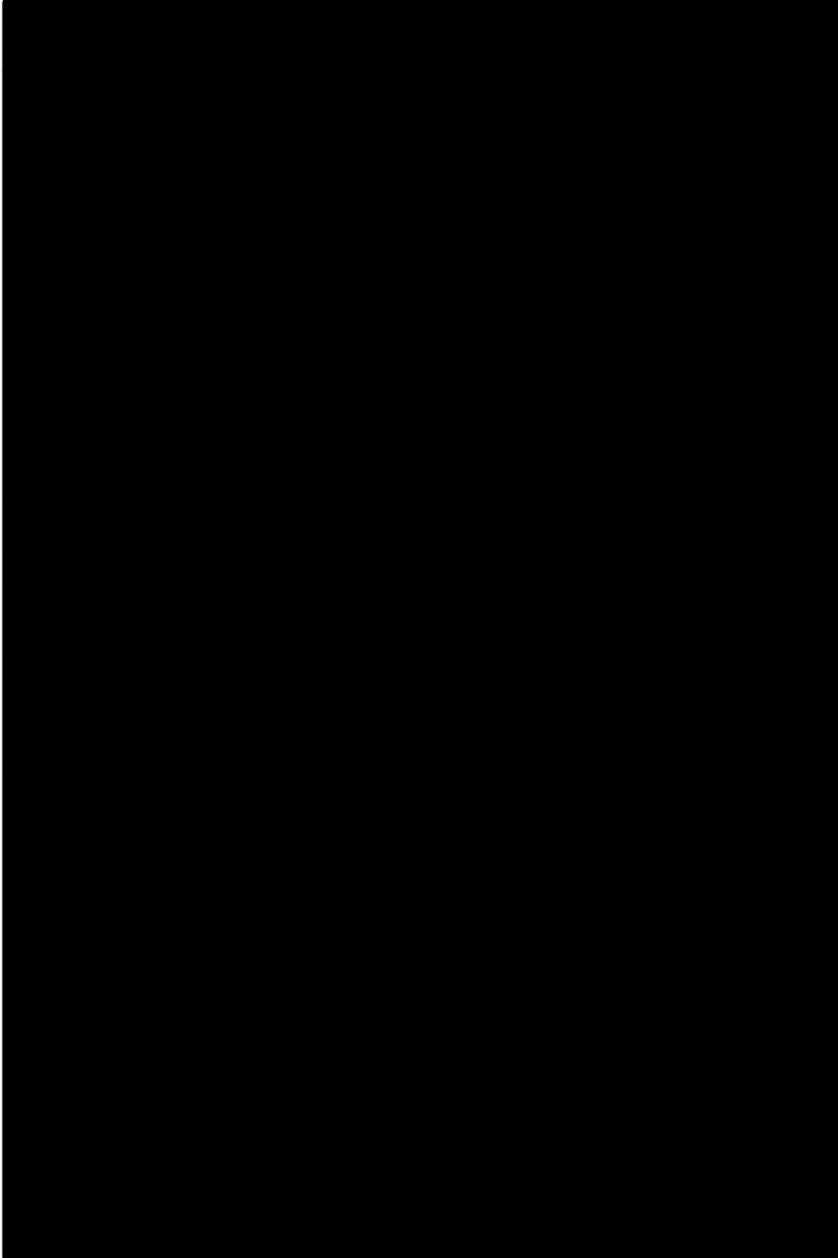
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

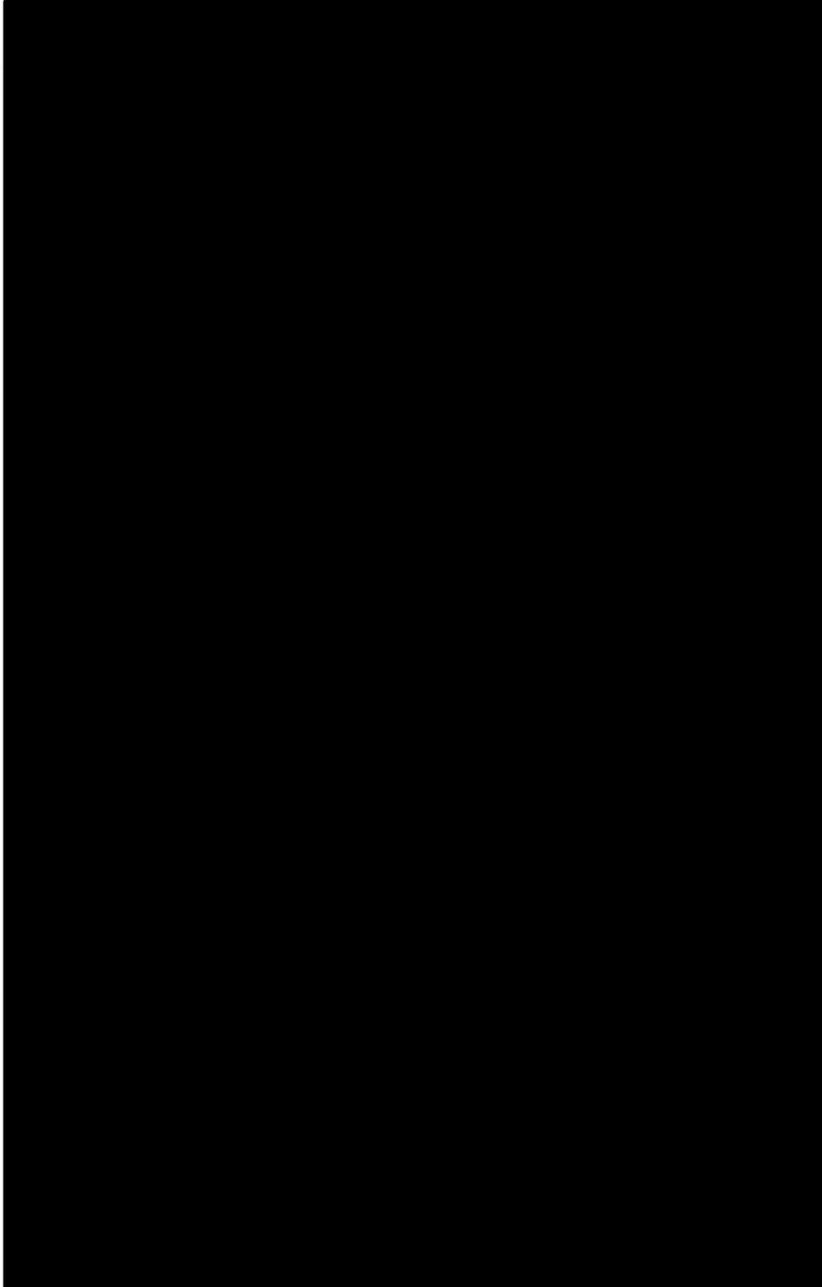
  
\_\_\_\_\_  
DOCKET COORDINATOR

Distribution:

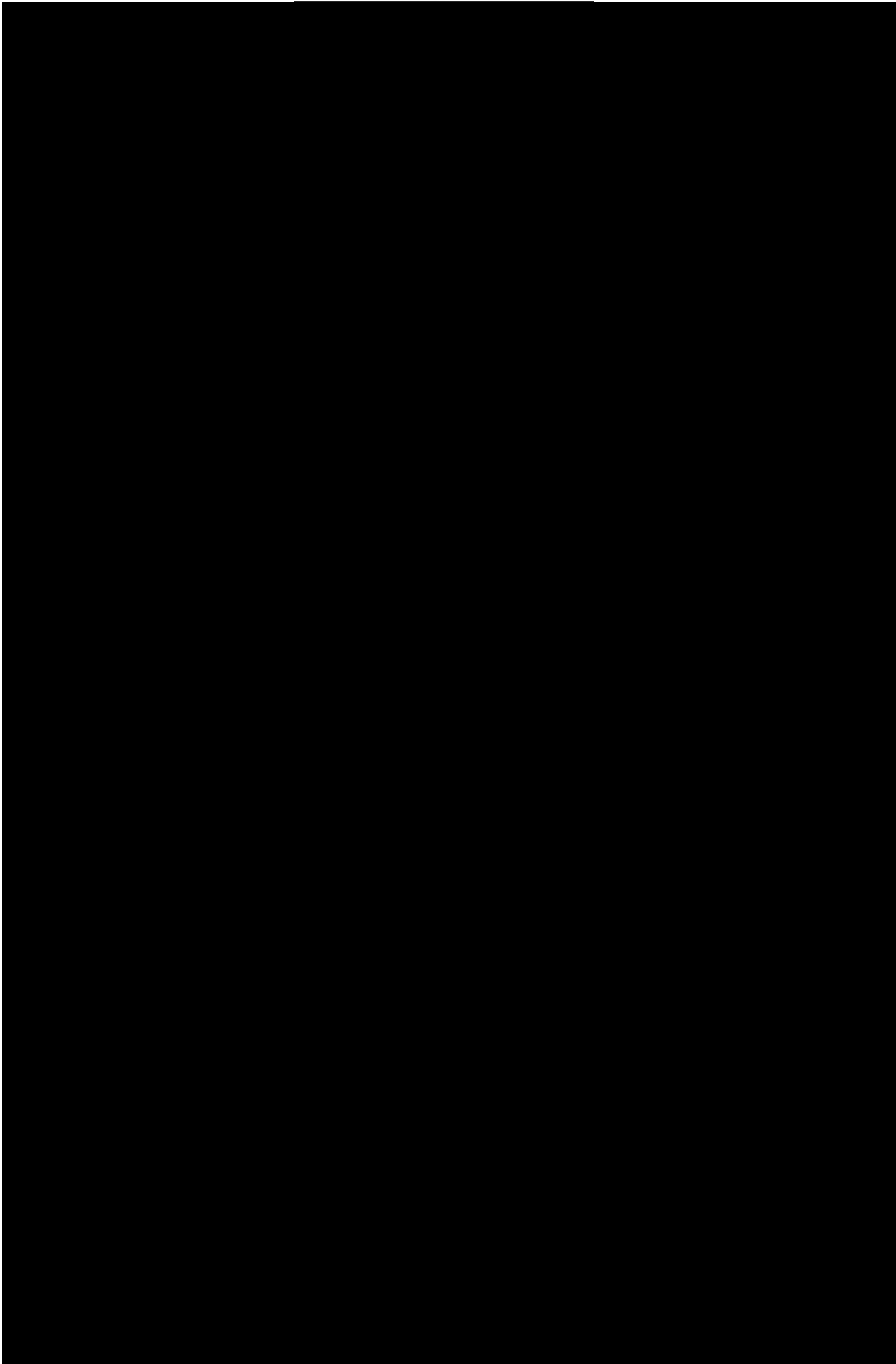
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- BGD
- sih
- FBT

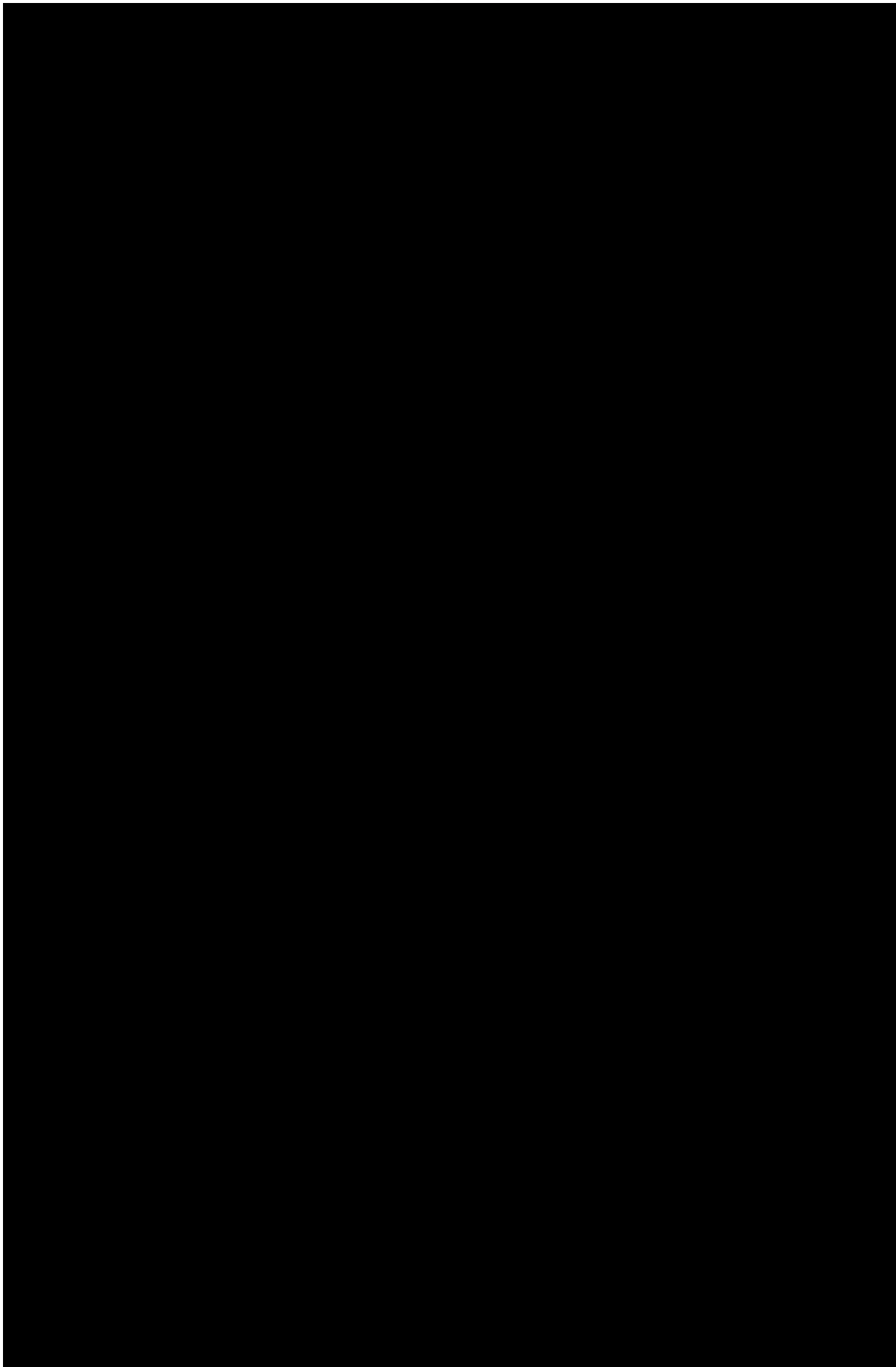
# Exhibit A













ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

February 17, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: LH Utilities/Longview Country Club  
AI No. 8083  
Case No. DOW-19-3-0154  
Activity No. ERF20190001  
Facility ID: KY0081591  
Scott County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 20, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement







## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for LH WWTF submitted to the EEC on 12/20/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP plan documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be in generally good condition and adequate to meet the permitted limits, and that exceedances of permitted limits in the past (Ammonia, CBOD, TSS, DO, and E.Coli) were the result of operational shortcoming under the previous ownership. We stated that we believed under our operations, the facility would begin to consistently meet limits. Even at the time the CAP was submitted the plant had begun to meet limits it had consistently violated under BWUOC operations.

The only additional improvement to the plant that was laid out in the CAP was the installation of a magnetic flow meter and Mission remote monitoring to improve the operations of the facility. This was installed and programed ahead of the projected date in the CAP of 3/31/2020.

In monitoring the performance of the facility as it pertains to compliance with permitted limits throughout the CAP period, there was only one exceedance. In March, the facility testing showed a DO level of 4 mg/l, below the required level of 7 mg/l. This was caused by an operational decision to shut off the blowers during a major rain event, in order to allow the aeration tank to settle and prevent sludge and solids from washing out of the facility during the excessive flow. This was an isolated event and steps are being taken to reduce I&I during rain events by making targeted repairs to the collection system. This will reduce excessive flows during major rain events and hopefully eliminate the need to shut off blowers in the future. In all other areas, effluent limits have been met consistently well below permitted limits, including for the pollutants that had violated in the past.

At this time, BWUOC does not believe any additional improvements will be necessary for the LH WWTF to continue to meet permitted limits and comply with EEC regulations.

Thanks,

**JON MEANY**  
 Utility Engineer

(314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 LH Treatment WWTF  
 KYPDES Permit No. KY0081591  
 Agency Interest No. 8083

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the LH Treatment WWTF approved by EEC/DEP on 12/20/2019. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the aeration plant is in better shape than it was at acquisition.

Significant improvements have been made to the LH Treatment facility. Handrails have been installed around the treatment basins to ensure safe operation. Damaged components of the aeration and clarification system have been repaired or replaced to ensure proper treatment can occur. The collapsing chlorine shack has been replaced to ensure proper disinfection can continue and proper containment for the chlorine solution to prevent spills. The facility is mostly meeting limits, but has had some issues with pin floc formation leading to E.Coli exceedances. Adjustments are being made that should eliminate this issue. There are some significant I&I issues in one part of the collection system that will be repaired over the next several years, however the plant is in good condition now and doesn't immediately require further improvements.

Sincerely,

**JON MEANY**  
 Utility Engineer

📞 (314) 380-8537 Ext. 215  
 📱 (314) 482-0342  
 🖨️ (314) 736-4759  
 ✉️ jmeany@cswrgroup.com  
 📍 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



February 15, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
LH Treatment WWTF  
KYPDES Permit No. KY0081591  
Agency Interest No. 8083

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter per KDEP's requirement consistent with the current Corrective Action Plan (CAP) plan approved by KDEP on February 17, 2020. Additionally, a revised CAP was submitted on February 24, 2021, that stated the facility would be compliant by February 18, 2022.

Construction was recently completed at this facility including all the repairs and upgrades proposed by our third-party engineering firm. The facility effluent will be complaint with the operating permit on February 18, 2022.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

February 24, 2022

Bluegrass Water Utility Operating Company, LLC  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

Re: AI Name: Longview Country Club  
AI No. 8083  
Case No. DOW 19-3-0154  
Activity No. ERF20190002  
Scott County

Dear Bluegrass Water:

The Division of Enforcement has determined that you have complied with the terms and conditions of the Agreed Order, executed September 3, 2019. The Division considers Case No. DOW 19-3-0154 resolved and closed. Please contact me at (502) 782-5273 or [nicholas.fields@ky.gov](mailto:nicholas.fields@ky.gov) if you have any questions.

Sincerely,

Nicholas Fields  
Environmental Enforcement Specialist  
Division of Enforcement





**Andy Beshear**  
Governor

**Kent A. Chandler**  
Chairman

**Rebecca W. Goodman**  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

**Mary Pat Regan**  
Commissioner

July 29, 2022

Josiah Cox  
CEO  
Central States Water Resources  
1630 Des Peres Road, Suite 140  
Des Peres, MO 63131

Re: Periodic Wastewater Inspection  
Bluegrass Water Utility Operating Company, LLC – LH Treatment Wastewater System  
Scott County, KY

Dear Mr. Cox:

Public Service Commission staff performed a periodic inspection of the Bluegrass Water Utility Operating Company, LLC – LH Treatment Wastewater System located in Scott County, KY on April 27, 2022, reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, no deficiencies were identified.

Please review the enclosed inspection report in its entirety as you will find further information noted about the inspection. If you have any questions regarding this inspection, feel free to contact me at 502-330-5986 or via email at [Brian.Rice@ky.gov](mailto:Brian.Rice@ky.gov).

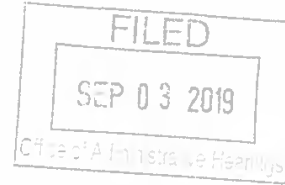
Sincerely,

Brian L. Rice  
Utility Inspector  
Public Service Commission

Enclosure(s)

Copy: Aaron Silas, Regulatory Case Manager  
Jake Freeman, Director of Engineering, Central States Water Resources  
Terry Merritt, VP of Midwest Water Operations  
1351 Jefferson Street, Suite 301  
Washington, MO 63090

*J. Horne*



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0151

IN RE: Bluegrass Water Utility Operating Company, LLC  
Fox Run Subdivision Wastewater Treatment Plant  
U.S Highway 60 West  
Frankfort, KY 40601  
AI No. 1388  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Fox Run Subdivision Wastewater Treatment Plant (hereinafter "Fox Run WWTP" or "facility"), is located at U.S. Highway 60 West, Frankfort, Kentucky 40601. The facility has a design capacity of 0.020 million gallons per day and discharges to an unnamed tributary to South Benson Creek.
4. Fox Run WWTP is currently owned and operated by Fox Run Utilities, LLC. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems

(hereinafter "KPDES") permit number KY0086967, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expired on June 30, 2018; however, the DOW has administratively continued the permit to allow the facility to operate under its expired permit.

5. Fox Run Utilities, LLC is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Fox Run WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Fox Run WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Fox Run WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Fox Run WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Fox Run WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall

provide for proper operation and maintenance of the facility in accordance with 401 KAR 5.065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. The BWUOC may request an amendment of the accepted CAP by writing



the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Fox Run WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or

aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

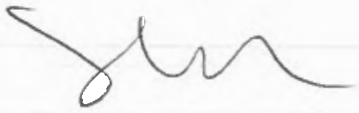
25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it

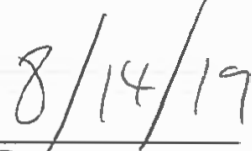
concurr that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

AGREED TO BY:



Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC


CASE NO. DOW 19-3-0151




Date

CASE NO. DOW 19-3-0151

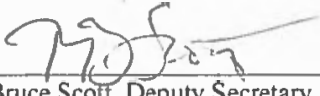
APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

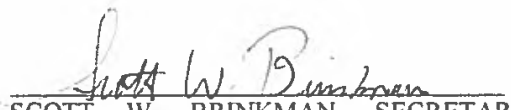
8/29/19  
Date

CASE NO. DOW 19-3-0151

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0151

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
 Attn: Jacon Freeman  
 500 NW Plaza Drive, Suite 500  
 Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
 Division of Enforcement  
 300 Sower Blvd.  
 Frankfort, Kentucky 40601

John G. Home II, Executive Director  
 Office of General Counsel  
 Energy and Environment Cabinet  
 300 Sower Blvd.  
 Frankfort, Kentucky 40601

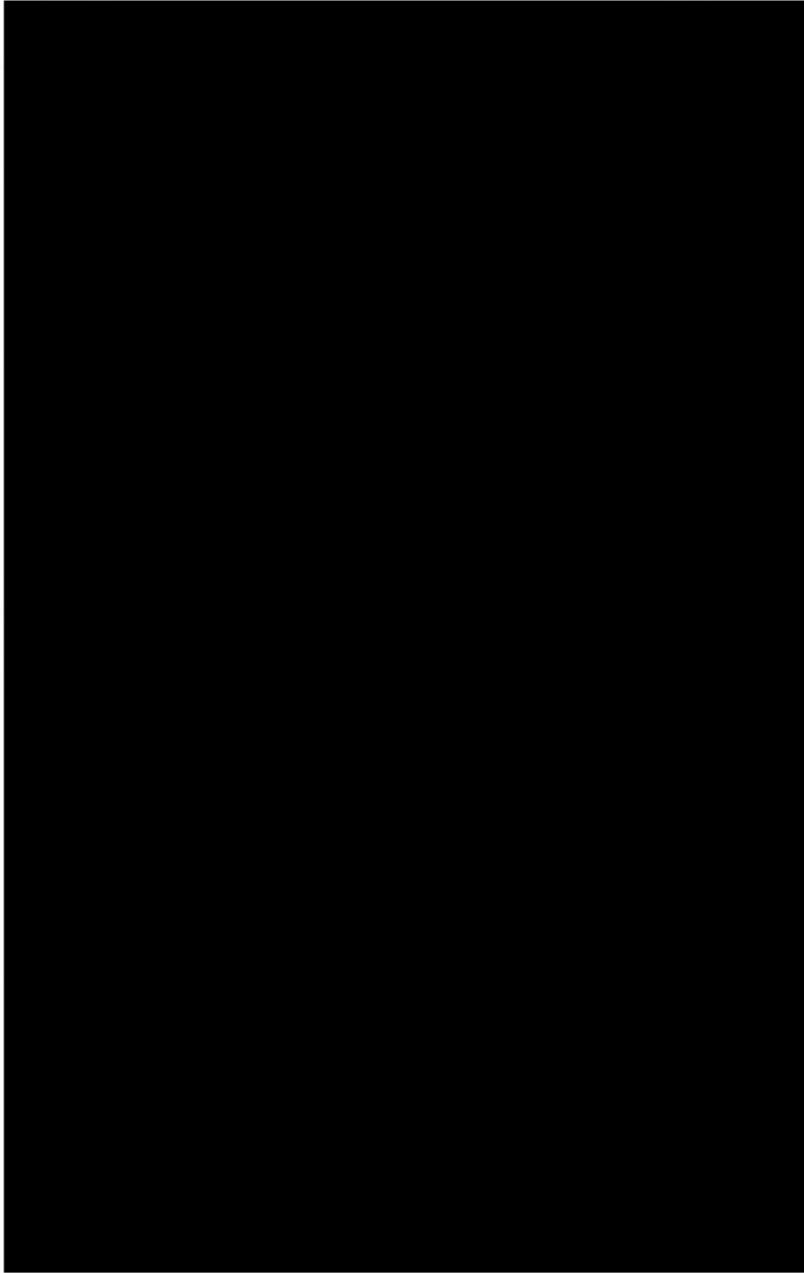
  
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 DOCKET COORDINATOR

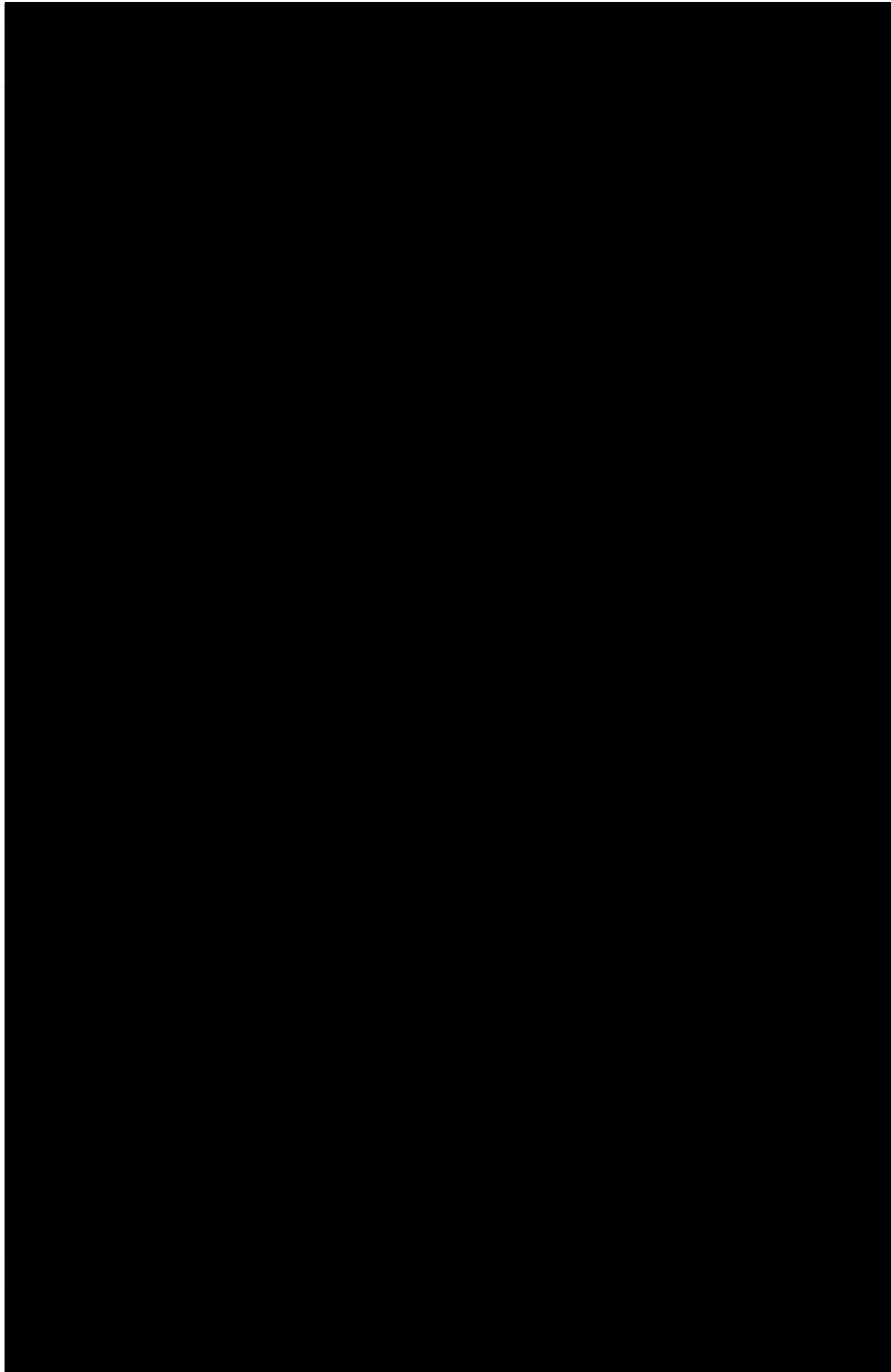
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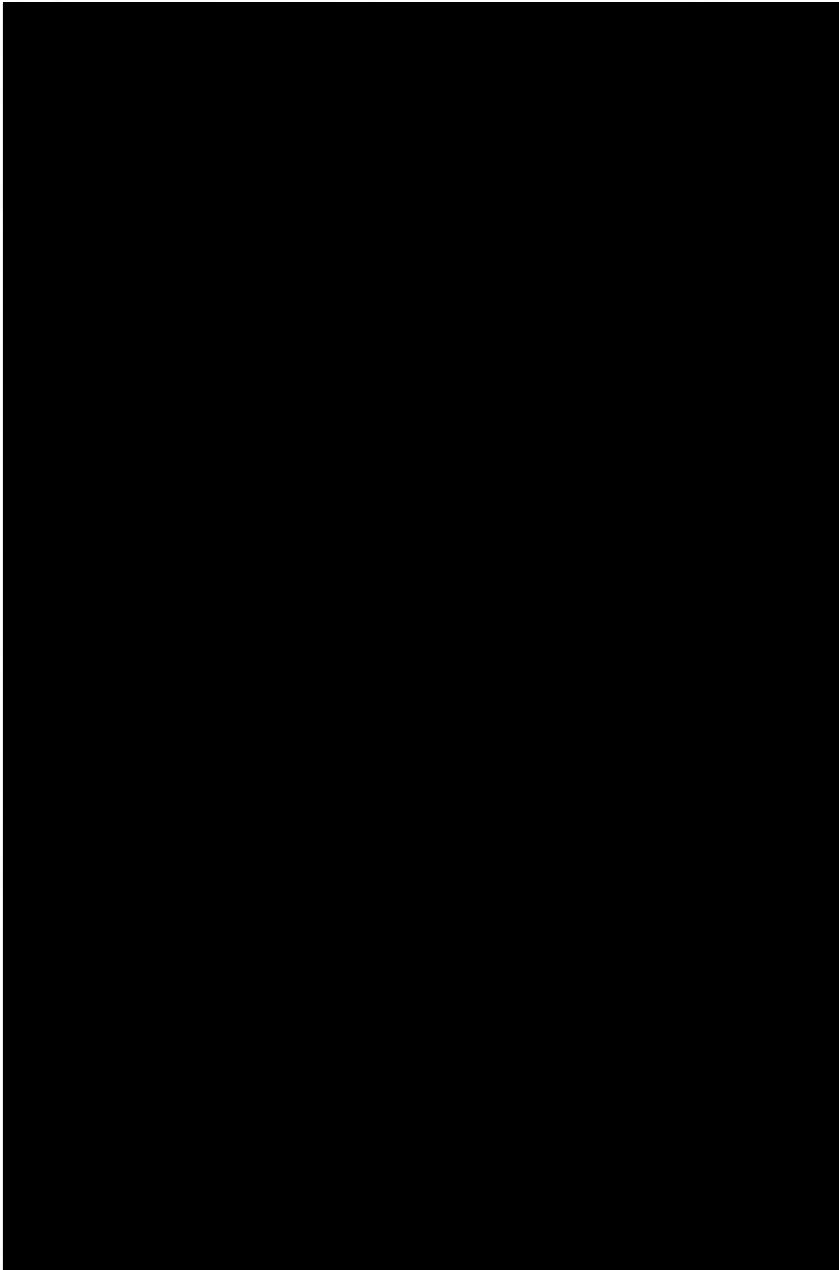
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 FBT

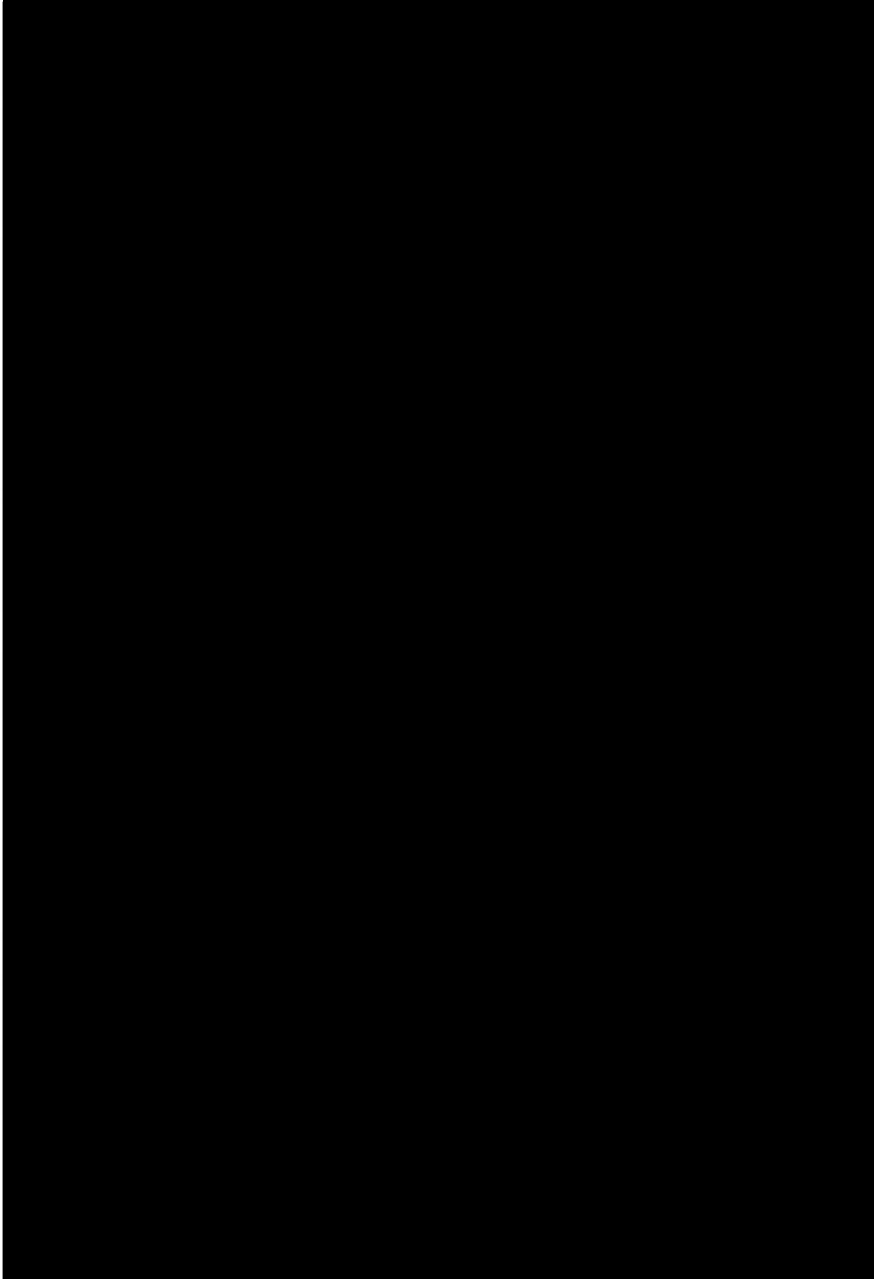


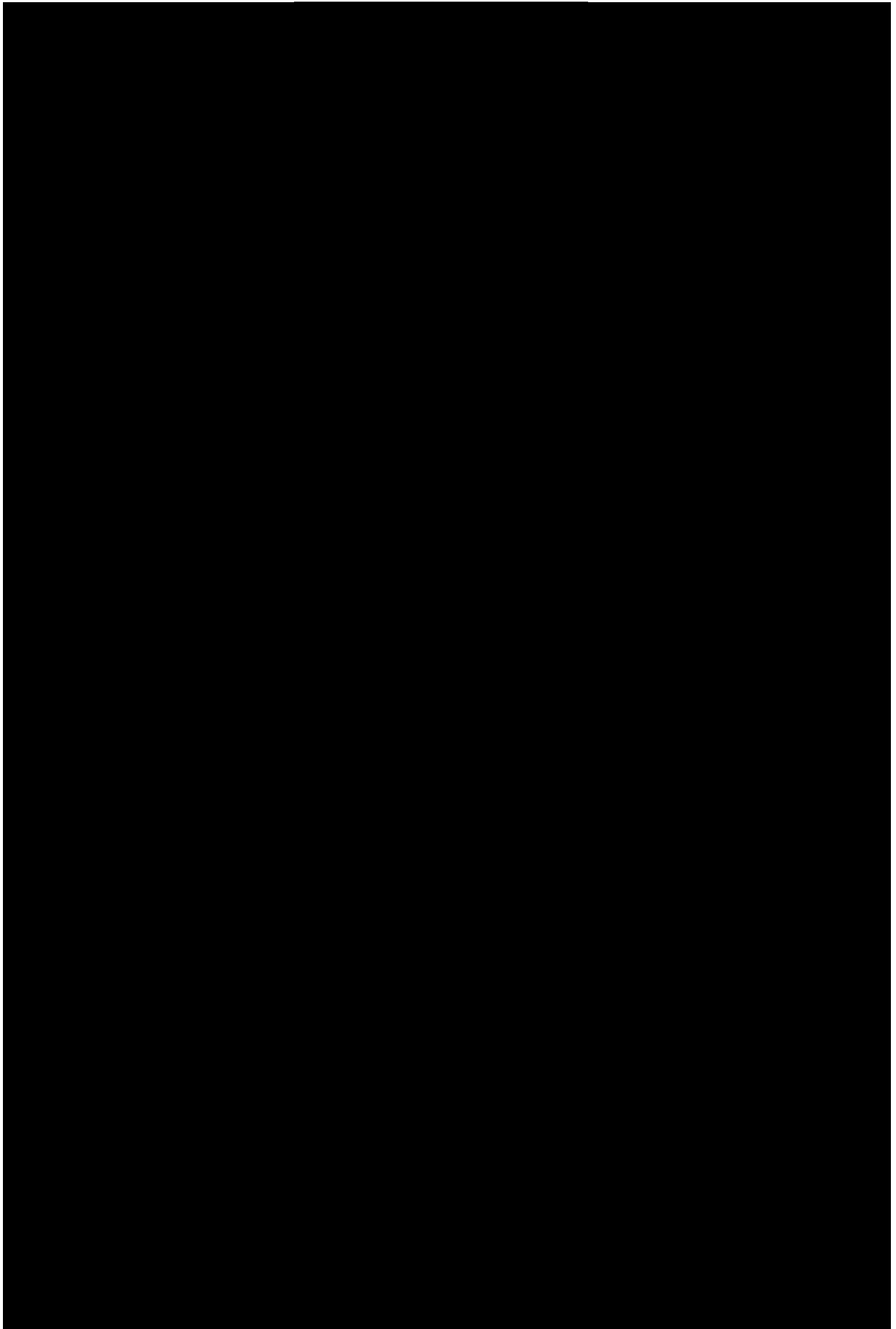
# Exhibit A

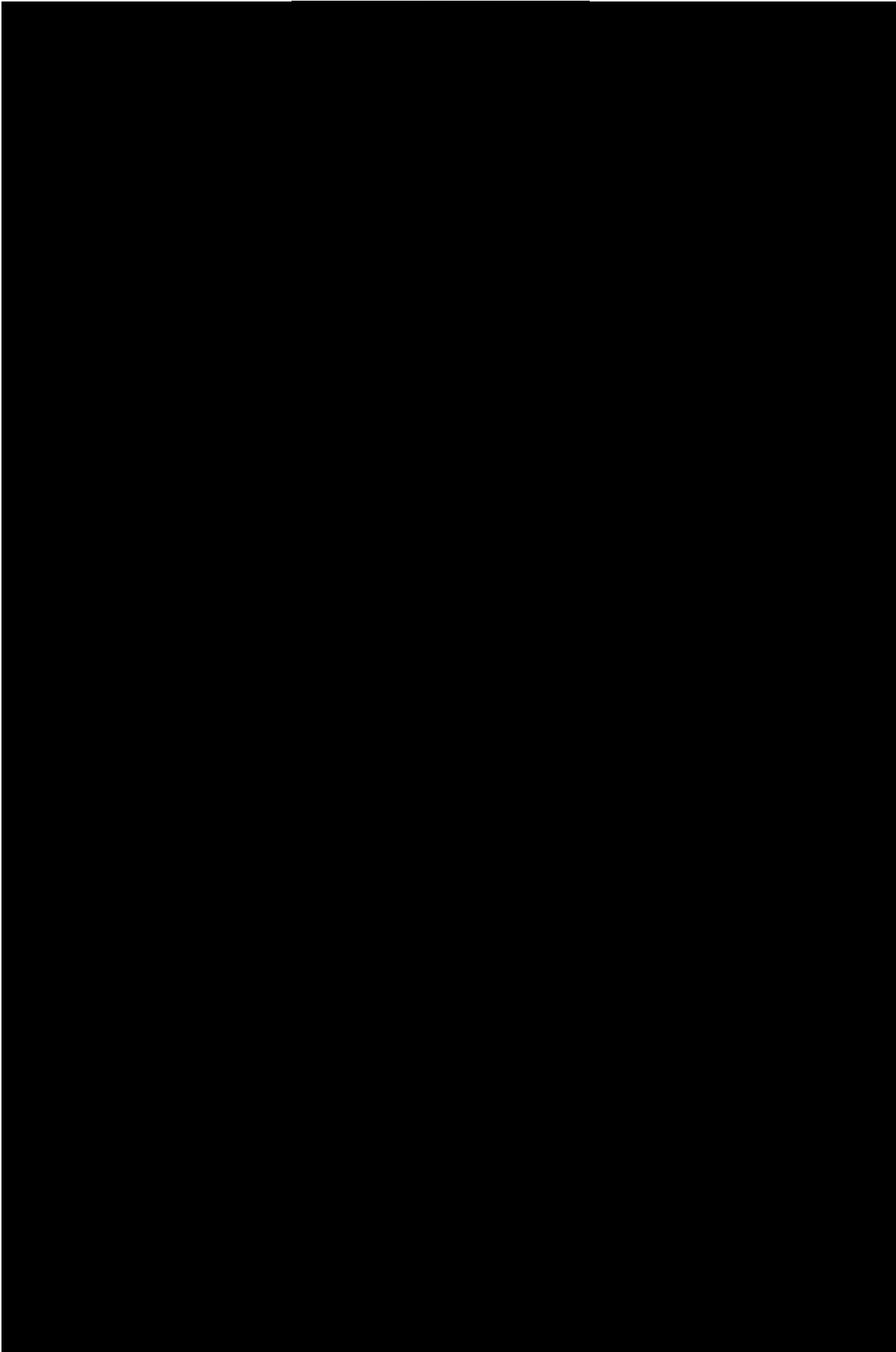


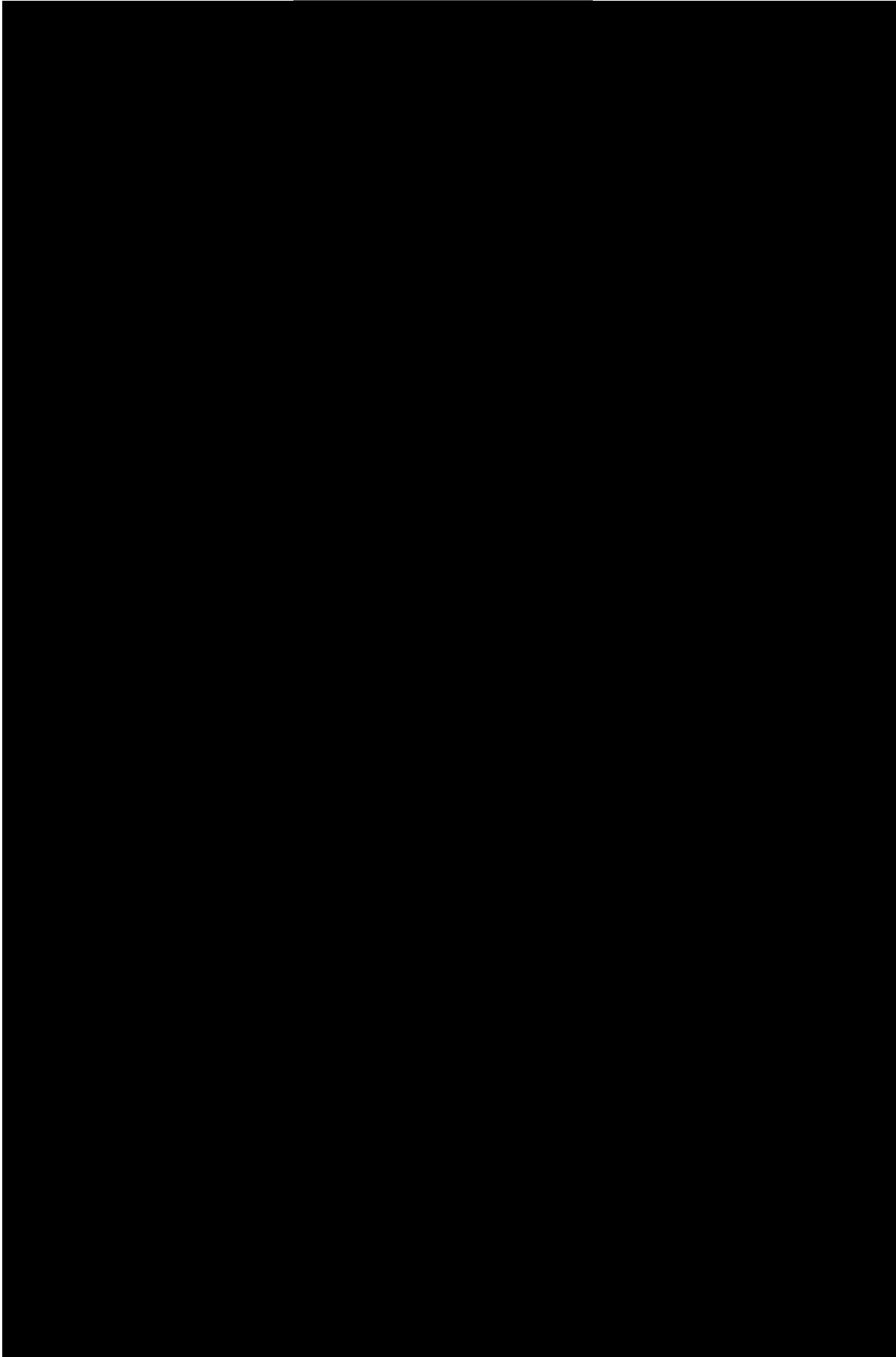
















ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

February 17, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Fox Run WWTP  
AI No. 1388  
Case No. DOW-19-3-0151  
Activity No. ERF20190001  
Facility ID: KY0086967  
Franklin County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 23, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns.

Sincerely,

Wesley T. Dement  
Environmental Enforcement Specialist  
Division of Enforcement





## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet,  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Fox Run WWTF (KY0086967) submitted to the EEC on 12/23/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility needed repairs and operational improvement to properly function. It was believed however, that with operational improvements and repairs, the facility may be capable of meeting limits.

The CAP laid out milestones for repairs, evaluation, and basic improvements at the facilities. The milestones included replacement and repair of the influent lift station, installation of a flow meter and remote monitoring system, spot welding of corroded portions of the aeration tank, evaluation of the disinfection system, and cleaning and jetting of the collection system. These activities were all completed within the timeline outlined in the CAP. The facility has consistently met limits since April, demonstrating the effectiveness of the operational improvements and repairs.

At this time, the facility is operating effectively and meeting limits, however there are several improvements being considered to potentially allow the plant to operate more effectively and efficiently. Specifically, we are evaluating the addition of flow EQ to help the facility to perform effectively during periods with high I&I, and we are evaluating switching from chlorine and dechlorination to peroxyacetic acid and post aeration for disinfection. Should these projects go forward BWUOC will submit construction permits for review by EEC/DEP and KYPSC.

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
 Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 Fox Run WWTF  
 KYPDES Permit No. KY0086967  
 Agency Interest No. 1388

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Fox Run WWTF approved by EEC/DEP on 2/17/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the main aeration plant is in much better shape than it was at acquisition. The access road and gates were replaced, the tanks have been patched and painted, inappropriately sourced and installed influent pumps were replaced, damaged piping has been repaired and replaced, and aeration system components have been repaired and replaced. While the system is currently meeting limits, it continues to struggle to handle the amount of sludge solids coming through the facility, requiring frequent sludge hauling, and it struggles to keep up during wet weather events.

Per the original CAP, our evaluation following triage improvements has determined that the facility does require a construction permit to complete improvements. A construction permit application was submitted in September of 2020 for these additional improvements. The permit application includes changes to aid in the facility's ability to handle sludge and wet weather surge events. The permit application calls for installation of a wet weather storage basin and sludge digester to the plant. The construction permit has been issued and we have begun to order parts and materials. We believe that work will proceed fairly quickly expect to complete the improvements at Fox Run by February 18, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Sincerely,

**JON MEANY**

Utility Engineer

📞 (314) 380-8537 Ext. 215  
 📱 (314) 482-0342  
 🖨️ (314) 736-4759  
 ✉️ jmeany@cswrgroup.com  
 📍 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Fox Run WWTF  
KYPDES Permit No. KY0086967  
Agency Interest No. 1388

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common goods & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined the repairs at Fox Run will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

 [bluegrasswateruoc.com](mailto:bluegrasswateruoc.com)

 1-866-752-8982

 [support@bluegrasswateruoc.com](mailto:support@bluegrasswateruoc.com)



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, LLC.  
Fox Run WWTF  
KYPDES Permit No. KY0086967  
Agency Interest No. 1388

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved on January 28, 2020. BGUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWOUC continues to encounter delays with supplies for the wet well project currently underway. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined the repairs at Fox Run will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned below the word "Sincerely,".

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, LLC.  
Fox Run WWTF  
KYPDES Permit No. KY0086967  
Agency Interest No. 1388

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved on January 28, 2020. BGUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWOUC continues to encounter delays with the completion of the new tank installations. The concrete pad was poured, and the tank is currently onsite, however, the contractor is currently working on the tank connections to get online. With uncertainty of contractor availability and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined the repairs at Fox Run will be completed by December 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

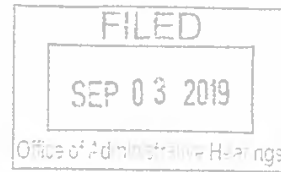
Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager

J. Horne

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0156



IN RE: Bluegrass Water Utility Operating Company, LLC  
Golden Acres Subdivision Wastewater Treatment Plant  
US Highway 68 Golden Acres Loop  
Calvert City, KY 42029  
AI No. 2935  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Golden Acres Subdivision Wastewater Treatment Plant (hereinafter "Golden Acres WWTP" or "facility"), is located at US Highway 68, Golden Acres Loop, Calvert City, Kentucky 42029. The facility has a design capacity of 0.025 million gallons per day and discharges to an unnamed tributary to Clarks River.
4. Golden Acres WWTP is currently owned and operated by Marshall County Environmental Services, LLC. The facility's discharges are permitted under Kentucky Pollutant

Discharge Elimination Systems (hereinafter "KPDES") permit number KY0044164, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on January 31, 2020.

5. Marshall County Environmental Services is an inactive for-profit Kentucky corporation in "bad" standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Golden Acres WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Golden Acres WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Golden Acres WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Golden Acres WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Golden Acres WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall



provide for proper operation and maintenance of the facility in accordance with 401 KAR 5.065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.

- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.
- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

### MISCELLANEOUS PROVISIONS

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Golden Acres WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons

for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

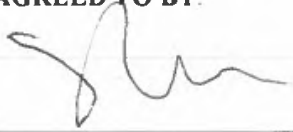
25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

### TERMINATION

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 19-3-0156

AGREED TO BY:




\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC


8/16/19  
\_\_\_\_\_  
Date

CASE NO. DOW 19-3-0156


APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Horne II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet

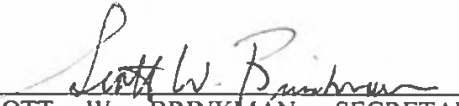
8/28/19  
Date

CASE NO. DOW 19-3-0156

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET



CASE NO. DOW 19-3-0156

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

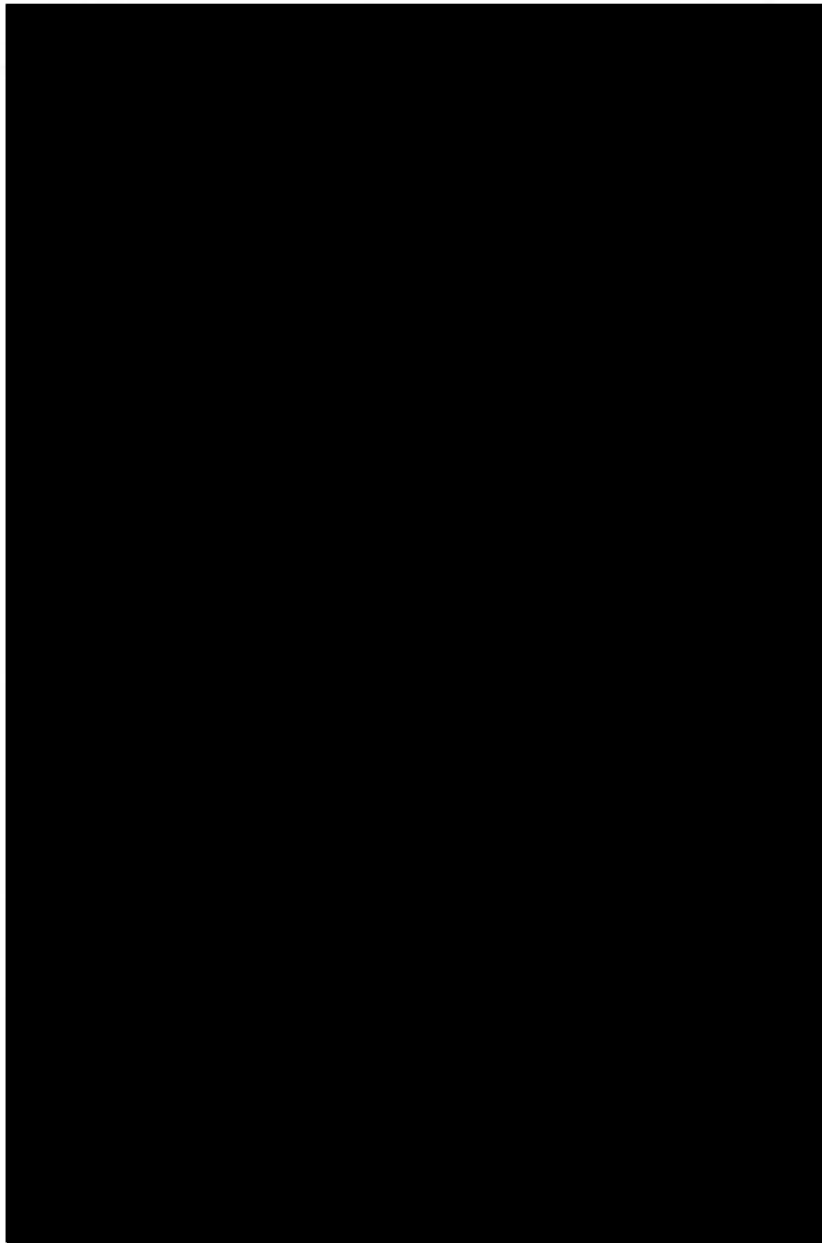
John G. Horne II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

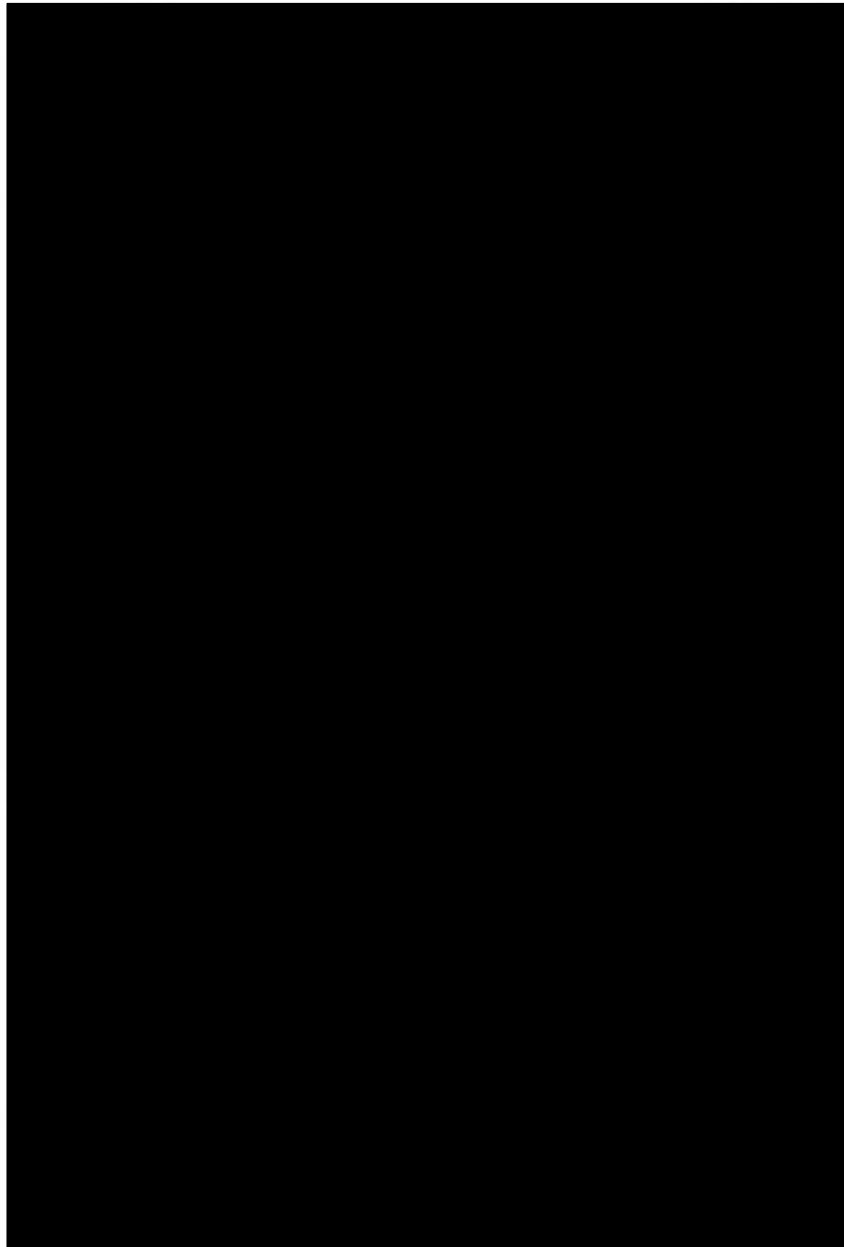
  
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DOCKET COORDINATOR

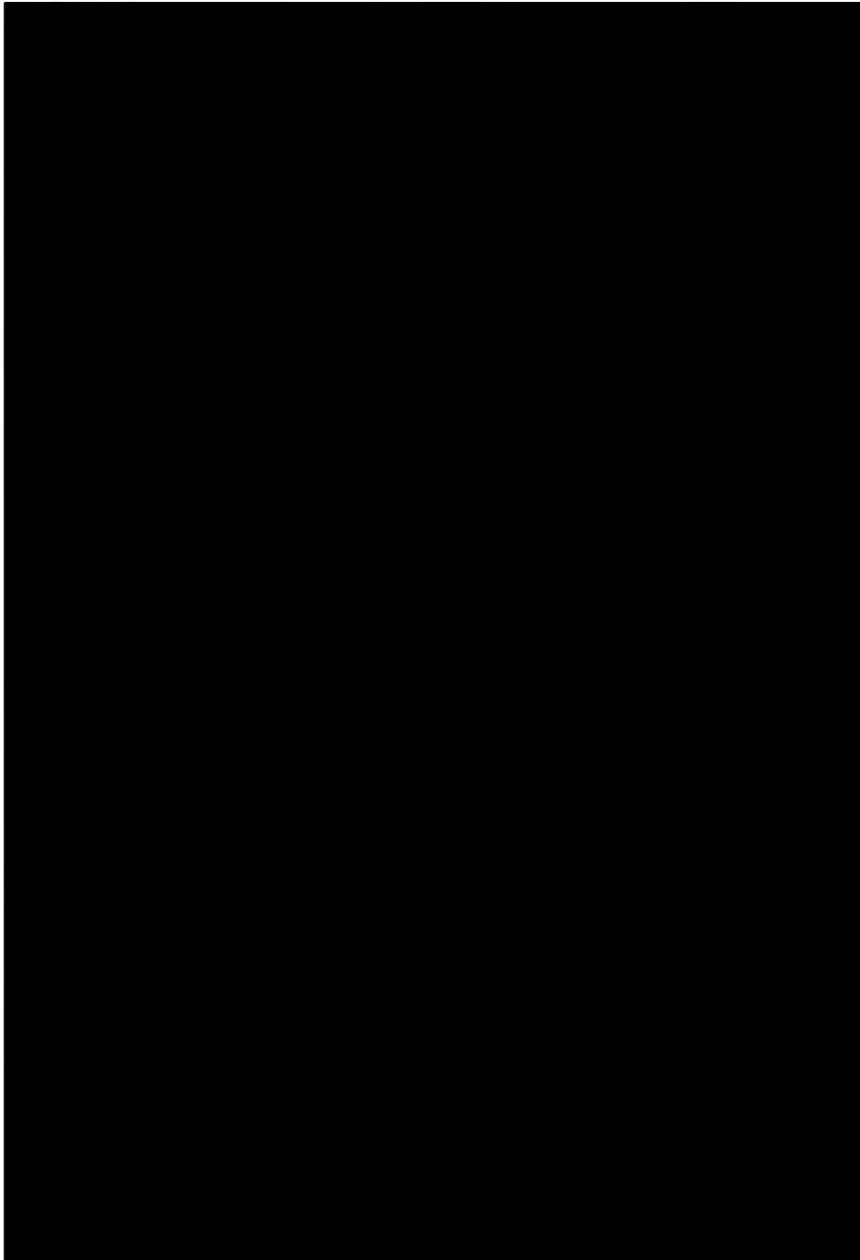
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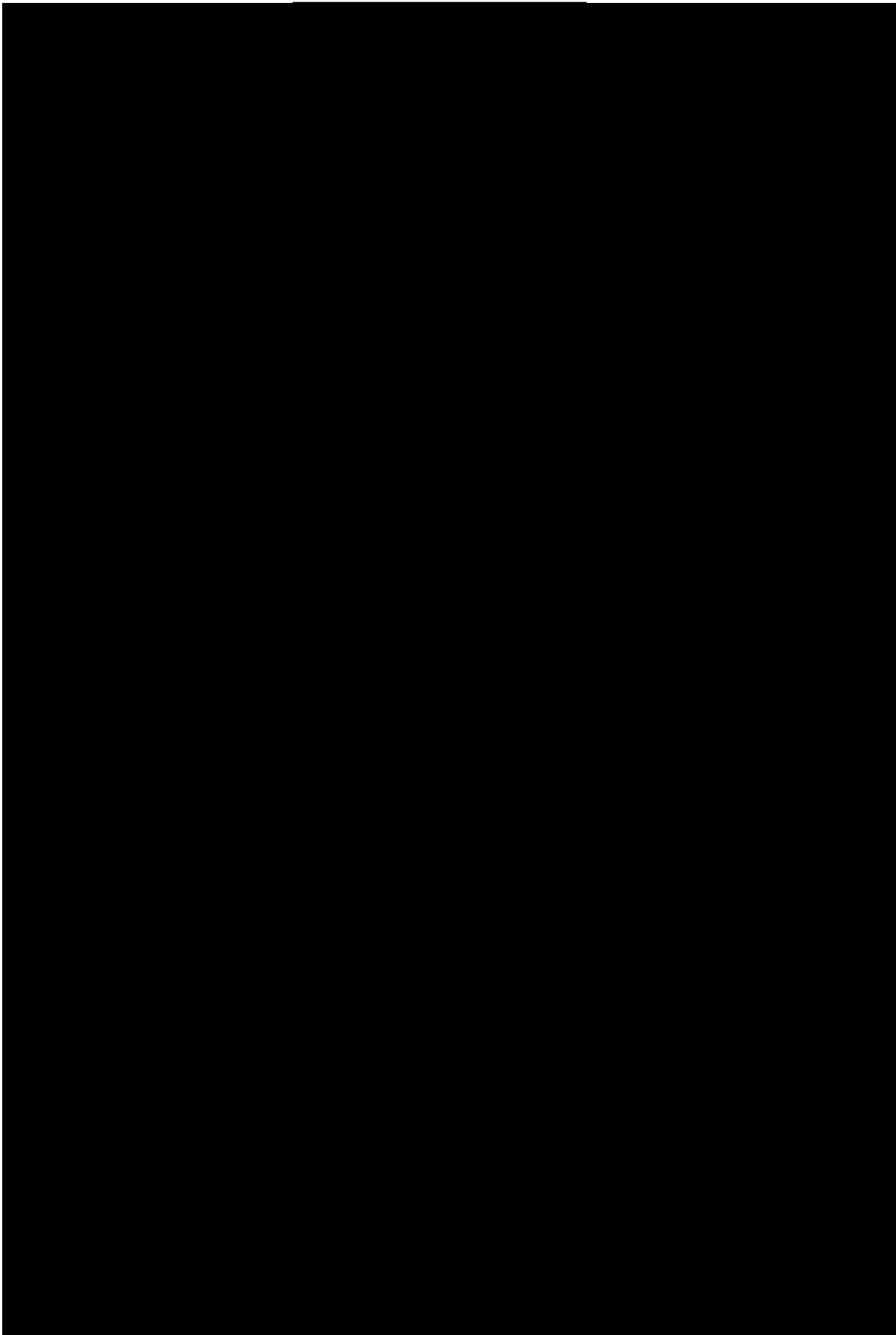
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BGP  
FBT

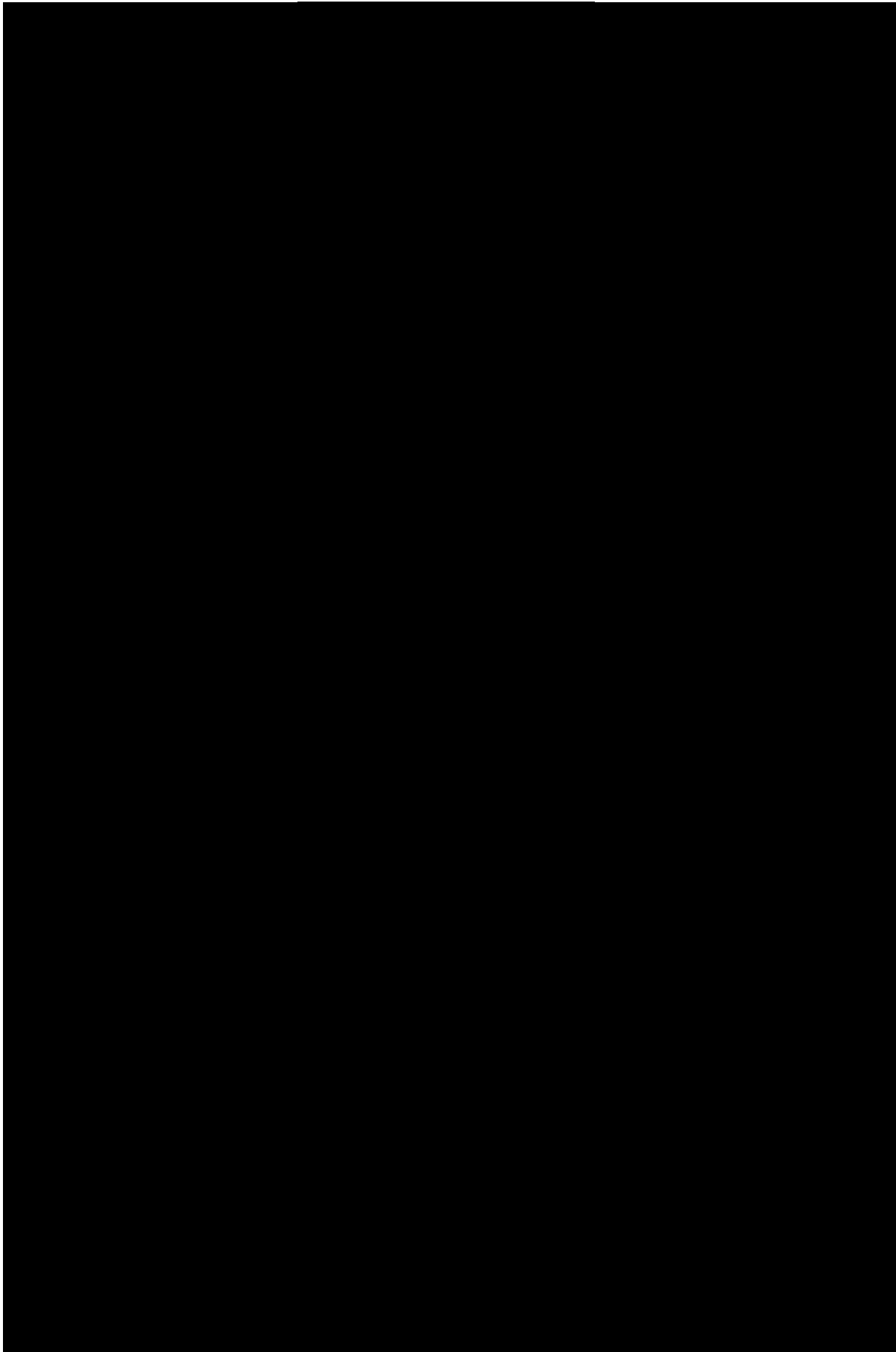
# Exhibit A

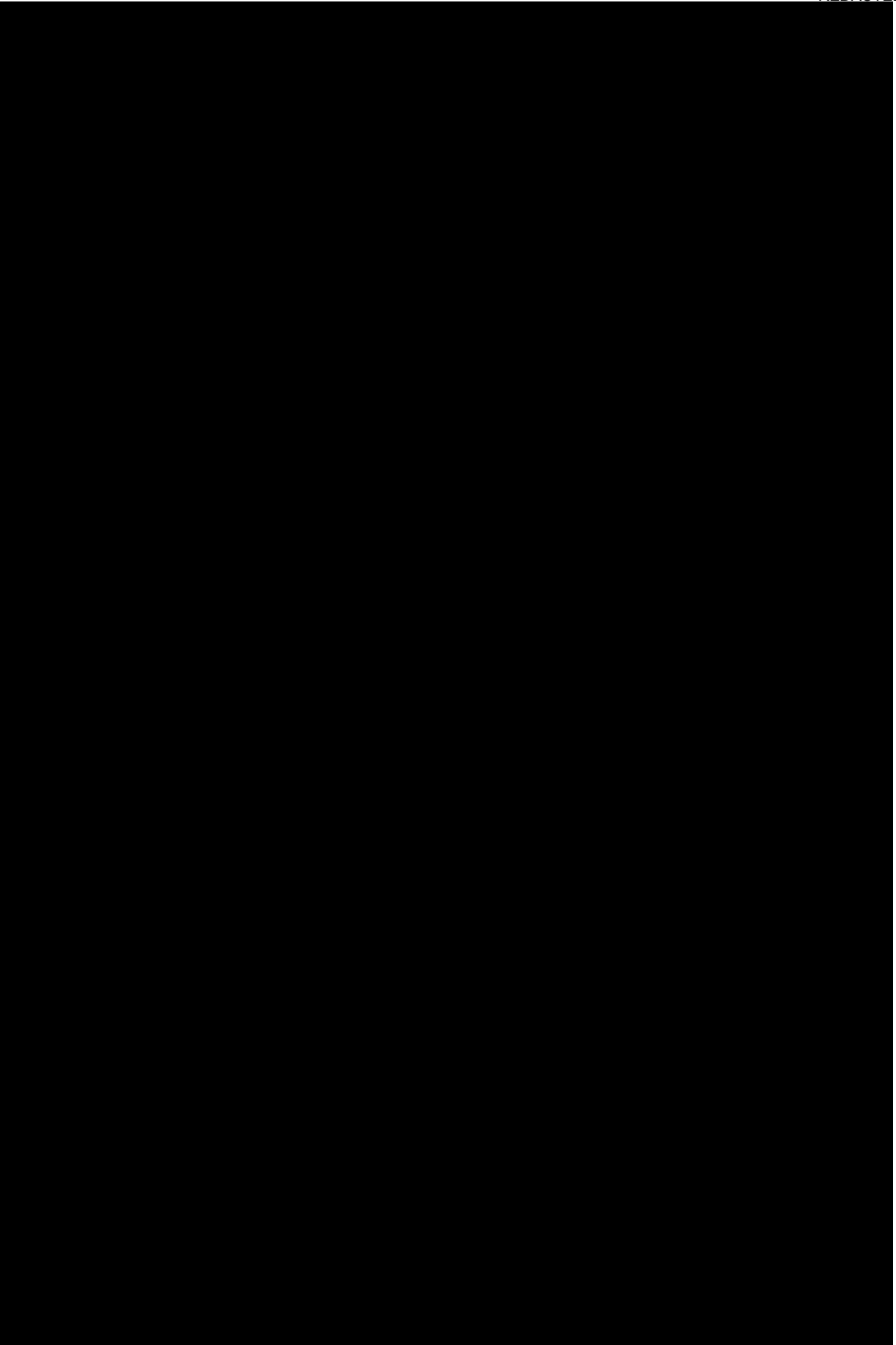
















ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

February 17, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Golden Acres WWTP  
AI No. 2935  
Case No. DOW-19-3-0156  
Activity No. ERF20190002  
Facility ID: KY0044164  
Marshall County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 26, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns.

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement





**BLUEGRASS WATER**  
 Utility Operating Company  
 A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet,  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Golden Acres WWTF (KY0086967) submitted to the EEC on 12/26/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility needed repairs and operational improvement to properly function. It was indicated that with operational improvements and repairs, the facility may be capable of meeting limits, but it was not clear if further improvements would be needed.

The CAP laid out milestones for repairs, evaluation, and basic improvements at the facilities. The milestones included repair and replacement of blowers, aeration piping, and diffusers, repair of sludge return piping, installation of a flow meter and remote monitoring system, spot welding of corroded portions of the aeration tank, evaluation of the disinfection system, and cleaning and jetting of the collection system. These activities were all completed within the timeline outlined in the CAP. The facility has continued to struggle to meet limits.

The primary issue with this plant appears to be an overwhelming amount of I&I causing flow through the facility that exceeds its treatment capacity. To further complicate matters, there is very little space for expanding the plant or for flow EQ. Additionally, the current effluent pipe is struggling to handle the high flow and needs to be reworked to handle the flow. Easement negotiations are underway with the neighboring property owner and the results of the negotiation will determine the best course of action for the improved effluent pipe. To address the excessive I&I, BWUOC will be installing as much flow EQ as we have room for at the plant site and improving/repairing the collection system. Lines will be camera inspected to determine where the most significant sources of I&I are, and pipes and structures will be repaired with liners. This should eliminate a bulk of the I&I and allow the facility to meet limits. Additionally, we are evaluating switching from chlorine and dechlorination to peroxyacetic acid and post aeration for disinfection at some point in the future to reduce operational costs.

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
 Utility Engineer

- ☎ (314) 380-8537 Ext. 215
- ☎ (314) 482-0342
- ☎ (314) 736-4759
- ✉ jmeany@cswrgroup.com
- 📍 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Golden Acres WWTF  
KYPDES Permit No. KY0044164  
Agency Interest No. 2935

#### Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Golden Acres WWTF approved by EEC/DEP on 2/17/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the main aeration plant is in better shape than it was at acquisition. Many improvements have been made to the Golden Acres system including repairs and replacement to damaged components, removal of accumulated solids from the plant and effluent line, improvements to control systems, etc.

The primary issue this facility continues to face is a poorly designed and improperly sized effluent line leading to regular backups at the plant. The original plant was designed for a 4" effluent line which goes from the plant, makes about a 30° turn and eventually makes another turn of about 120°. These turns in the line cause accumulation of solids in the effluent pipe and backup into the plant during high flow periods, leading to flooding and improper flow through the plant. This improper flow leads to additional wash-through of solids, compounding the problem. At acquisition this had resulted in the effluent pipe being nearly completely blocked with rags, toilet paper and debris, with these items visibly discoloring effluent and the receiving waters. In clearing the pipe and investigating the problem it was discovered that while the design had called for 4" effluent pipe, the pipe actually only started and ended at 4", but in fact had been installed with smaller pipe in the underground sections presumably to save money during installation, further exaggerating the problems caused by the pipe.

Per the original CAP, our evaluation following triage improvements has determined that the facility does require a construction permit to complete improvements. A construction permit has been submitted to replace the effluent chamber and effluent line. The replaced line will move the discharge point a short distance downstream from the original discharge, eliminating the turns in the line. The line will also be upsized to 10". It seems that all the plant's issues result from the backups disrupting proper operation of the plant.

The permit will also facilitate conversion to peroxyacetic acid disinfection with post aeration to replace the current disinfection system. We believe that work will proceed quickly following approval of the permit and expect to complete the improvements at Golden Acres Run by February 18, 2022, assuming the permit is issued in the near future. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Sincerely,

**JON MEANY**  
Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131



1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Golden Acres WWTF  
KYPDES Permit No. KY0044164  
Agency Interest No. 2935

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common goods & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined the repairs at Golden Acres will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Chavez Jr.", is positioned below the word "Sincerely,".

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

 [bluegrasswateruoc.com](mailto:bluegrasswateruoc.com)

 1-866-752-8982

 [support@bluegrasswateruoc.com](mailto:support@bluegrasswateruoc.com)



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Golden Acres WWTF  
KYPDES Permit No. KY0044164  
Agency Interest No. 2935

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. BWUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project for the Peracetic Acid Treatment Installation. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Golden Acres will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Golden Acres WWTF  
KYPDES Permit No. KY0044164  
Agency Interest No. 2935

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023.

Construction was recently completed at this facility including all the repairs and upgrades proposed by our third-party engineering firm. The facility effluent will be complaint with the operating permit on March 31, 2023

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager



**Andy Beshear**  
GOVERNOR

**ENERGY AND ENVIRONMENT CABINET**  
**DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

300 Sower Boulevard  
Frankfort, Kentucky 40601  
Phone: (502) 564-2150  
Fax: 502-564-4245

**Rebecca W. Goodman**  
SECRETARY

**Anthony R. Hatton**  
COMMISSIONER

April 18, 2023

Enrique Chavez  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

Re: AI Name: Golden Acres WWTP  
AI No. 2935  
Case No. DOW-19-3-0156  
Activity No. ERF20190002  
Marshall County

Dear Mr. Chavez:

The Division of Enforcement has determined that the Bluegrass Water Utility Company has complied with the terms and conditions of the Agreed Order, executed on September 3, 2019. The Division considers Case No. DOW 19-3-0156 resolved and closed. Please contact me at 502-782-5273 or [nicholas.fields@ky.gov](mailto:nicholas.fields@ky.gov) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Fields".

Nicholas Fields  
Environmental Enforcement Specialist  
Division of Enforcement



J. Horne



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 19-3-0148

IN RE: Bluegrass Water Utility Operating Company, LLC  
Great Oaks Subdivision Wastewater Treatment Plant  
Creekside Drive  
Paducah, KY 42003  
AI No. 3041  
Activity ID No. ERF20190001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 500 NW Plaza Drive, Suite 500, Saint Ann, Missouri 63074.
3. Great Oaks Subdivision Wastewater Treatment Plant (hereinafter "Great Oaks WWTP" or "facility"), is located at Creekside Drive, Paducah, Kentucky 42003. The facility has a design capacity of 0.070 million gallons per day and discharges to Blizzard Pond Drainage Canal.
4. Great Oaks WWTP is currently owned and operated by Marshall County Environmental Services, LLC (hereinafter "MCES") and/or Allen Artis. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems (hereinafter "KPDES")

permit number KY0080845, issued by the Cabinet's Division of Water (hereinafter "DOW") on March 27, 2012. The facility's KPDES permit expired on April 30, 2017; however, the DOW has administratively continued the permit to allow the facility to operate under its expired permit

5. MCES is an inactive for-profit Kentucky corporation in "bad" standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Great Oaks WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Great Oaks WWTP on or around September 15, 2019.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Great Oaks WWTP (Exhibit A). This report was submitted to the Cabinet on or about July 29, 2019.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Great Oaks WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Great Oaks WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall

provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065 Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.

- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.
- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

### MISCELLANEOUS PROVISIONS

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Great Oaks WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or his designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons

for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

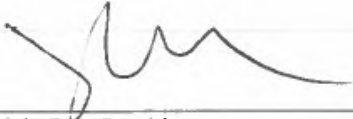
25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

**AGREED TO BY:**

**CASE NO. DOW 19-3-0148**




\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

8/14/19  
\_\_\_\_\_  
Date




CASE NO. DOW 19-3-0148

APPROVAL RECOMMENDED BY:

  
\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

8/27/19  
Date

  
\_\_\_\_\_  
John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet

8/27/19  
Date

  
\_\_\_\_\_  
R. Bruce Scott, Deputy Secretary  
Energy and Environment Cabinet


8/23/19  
Date

CASE NO. DOW 19-3-0148

ORDER

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 3<sup>rd</sup> day of September, 2019.

ENERGY AND ENVIRONMENT CABINET

  
SCOTT W. BRINKMAN, SECRETARY of the  
GOVERNOR'S EXECUTIVE CABINET

CASE NO. DOW 19-3-0148

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 3<sup>rd</sup> day of September, 2019.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacon Freeman  
500 NW Plaza Drive, Suite 500  
Saint Ann, MO 63074

And mailed, messenger to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

John G. Home II, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

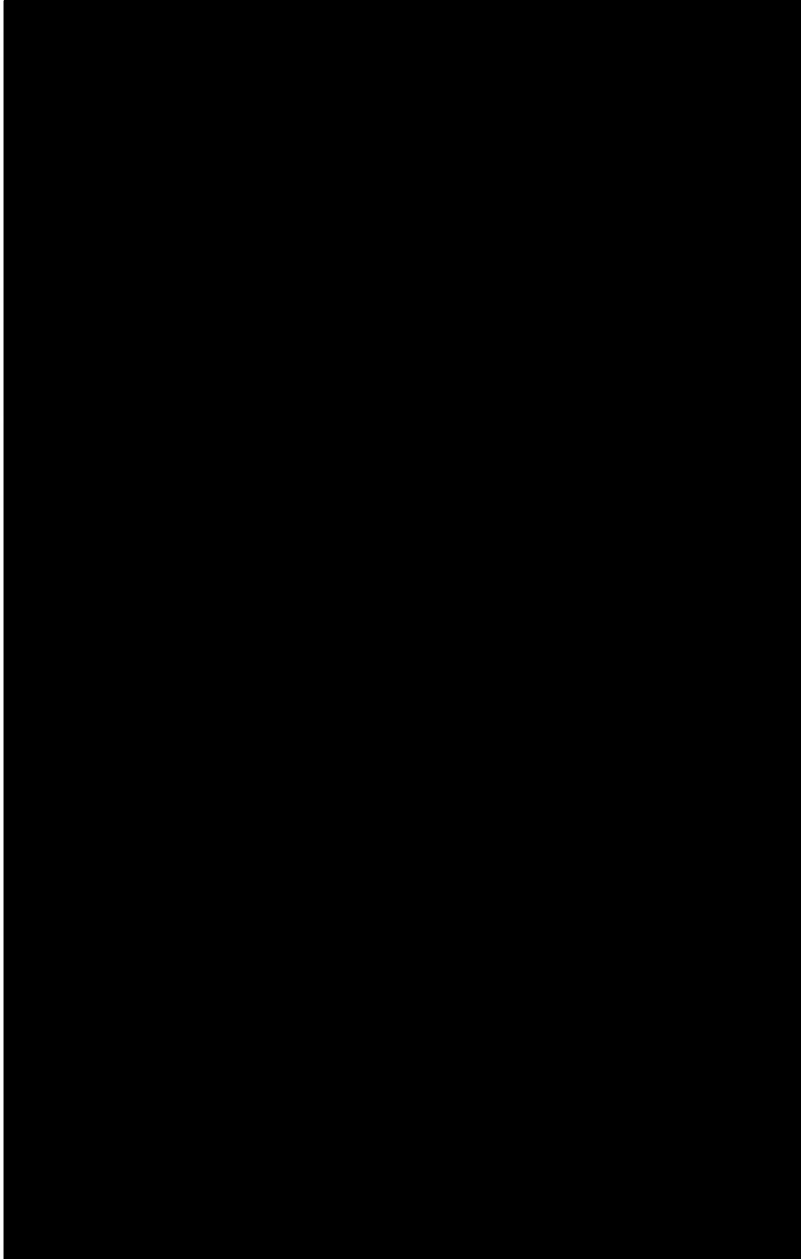
  
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DOCKET COORDINATOR

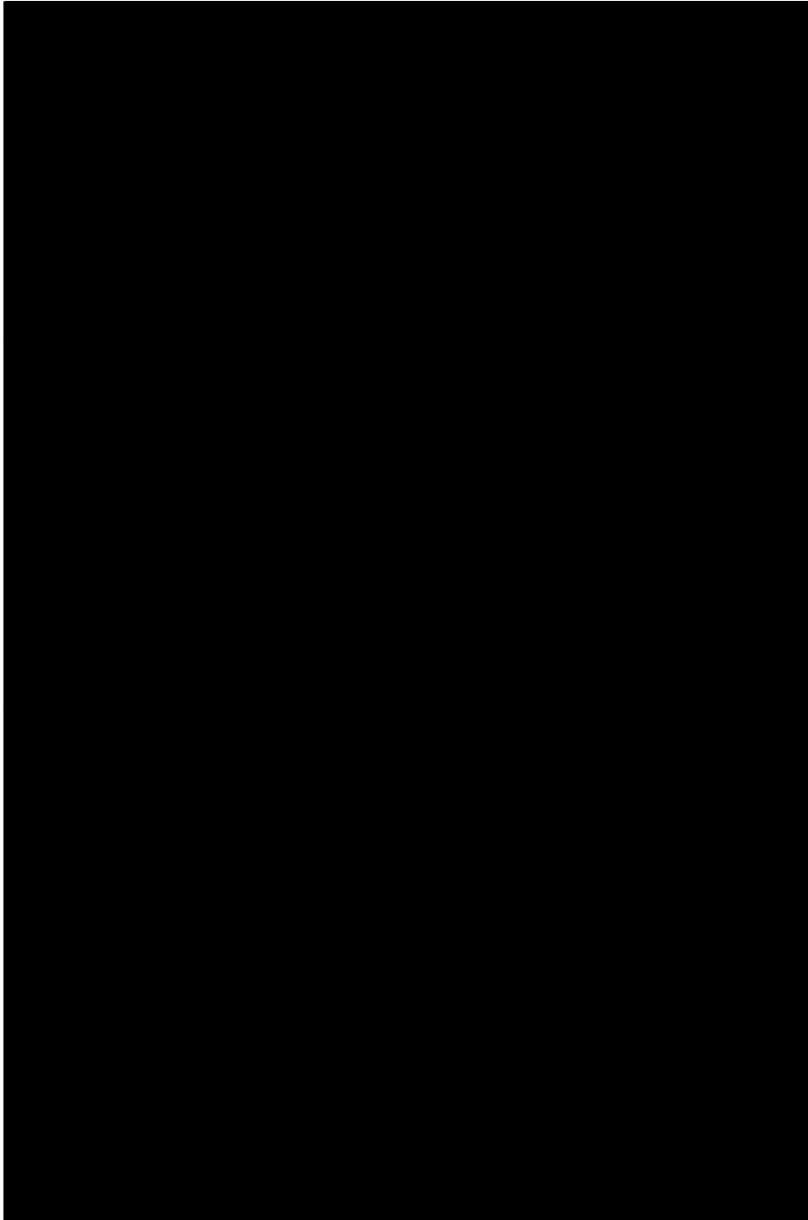
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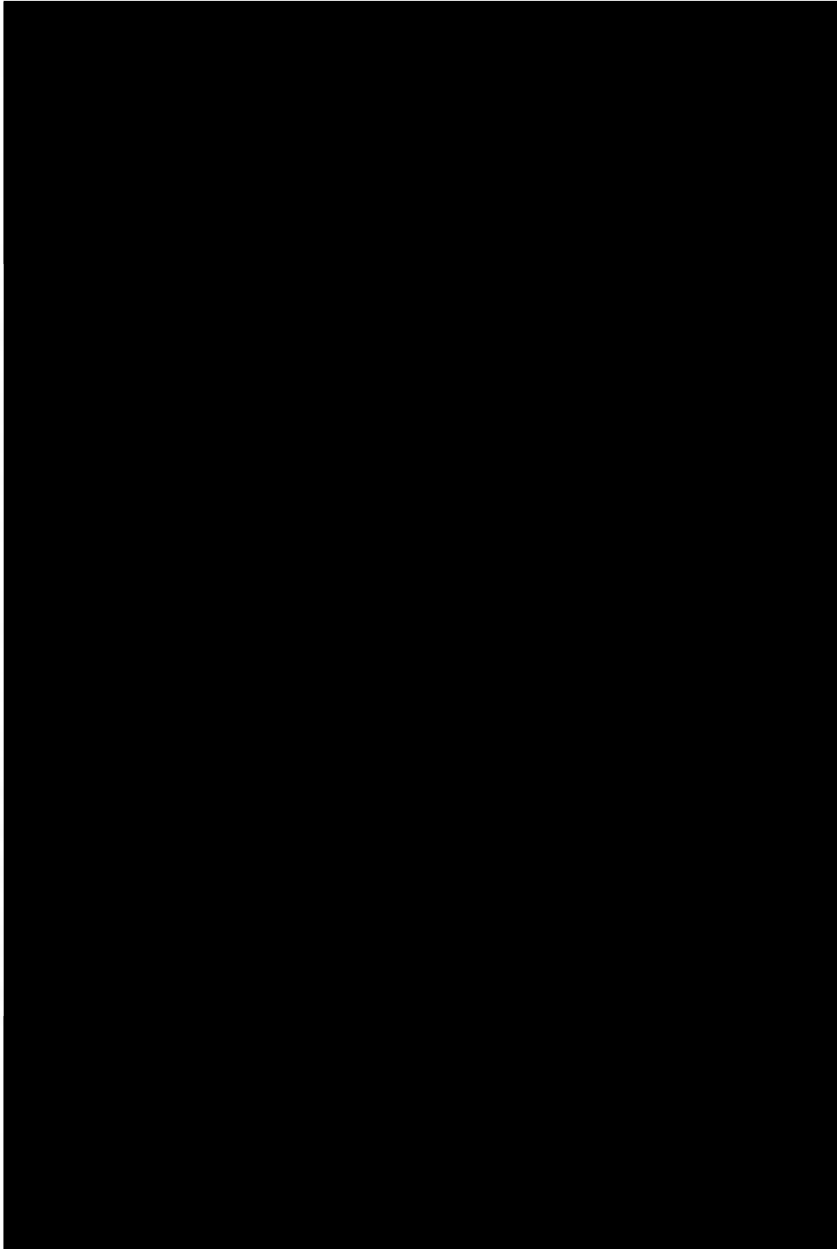
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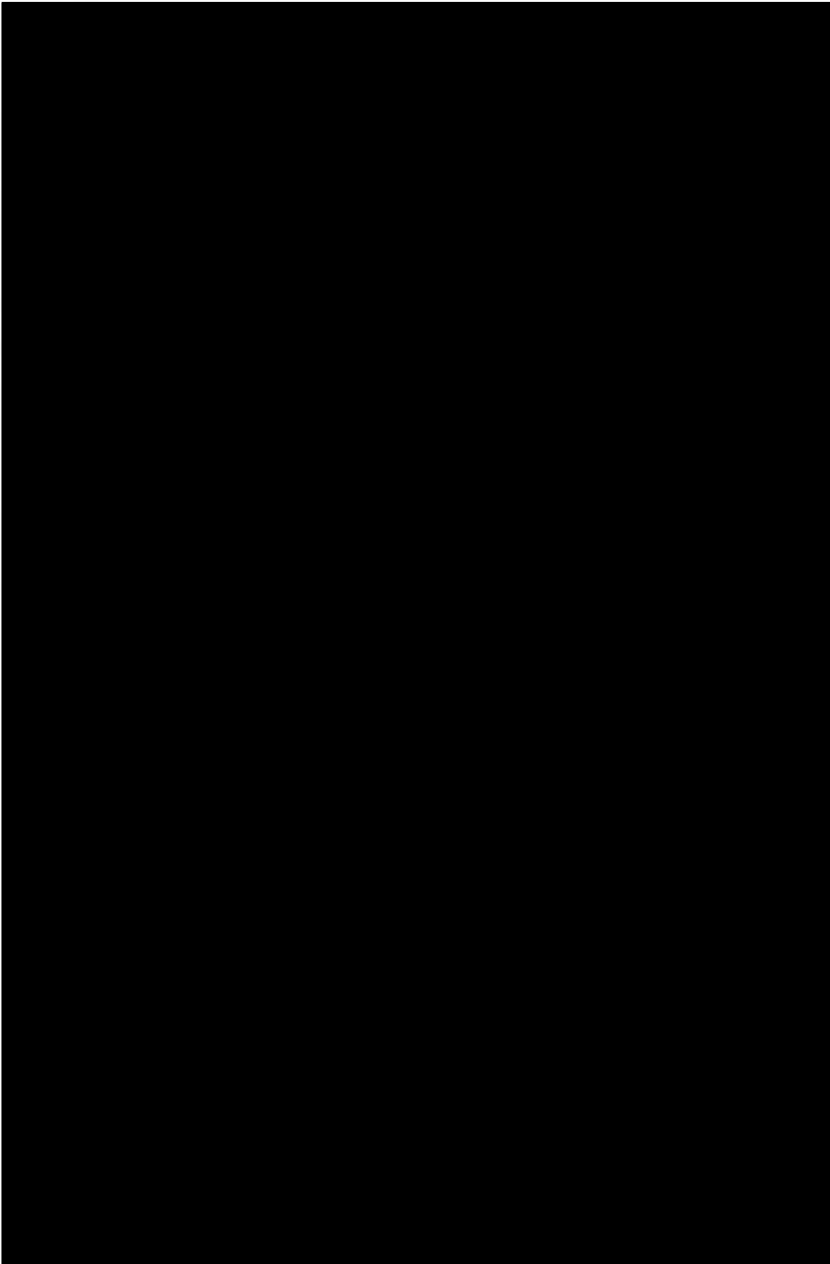
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# Exhibit A

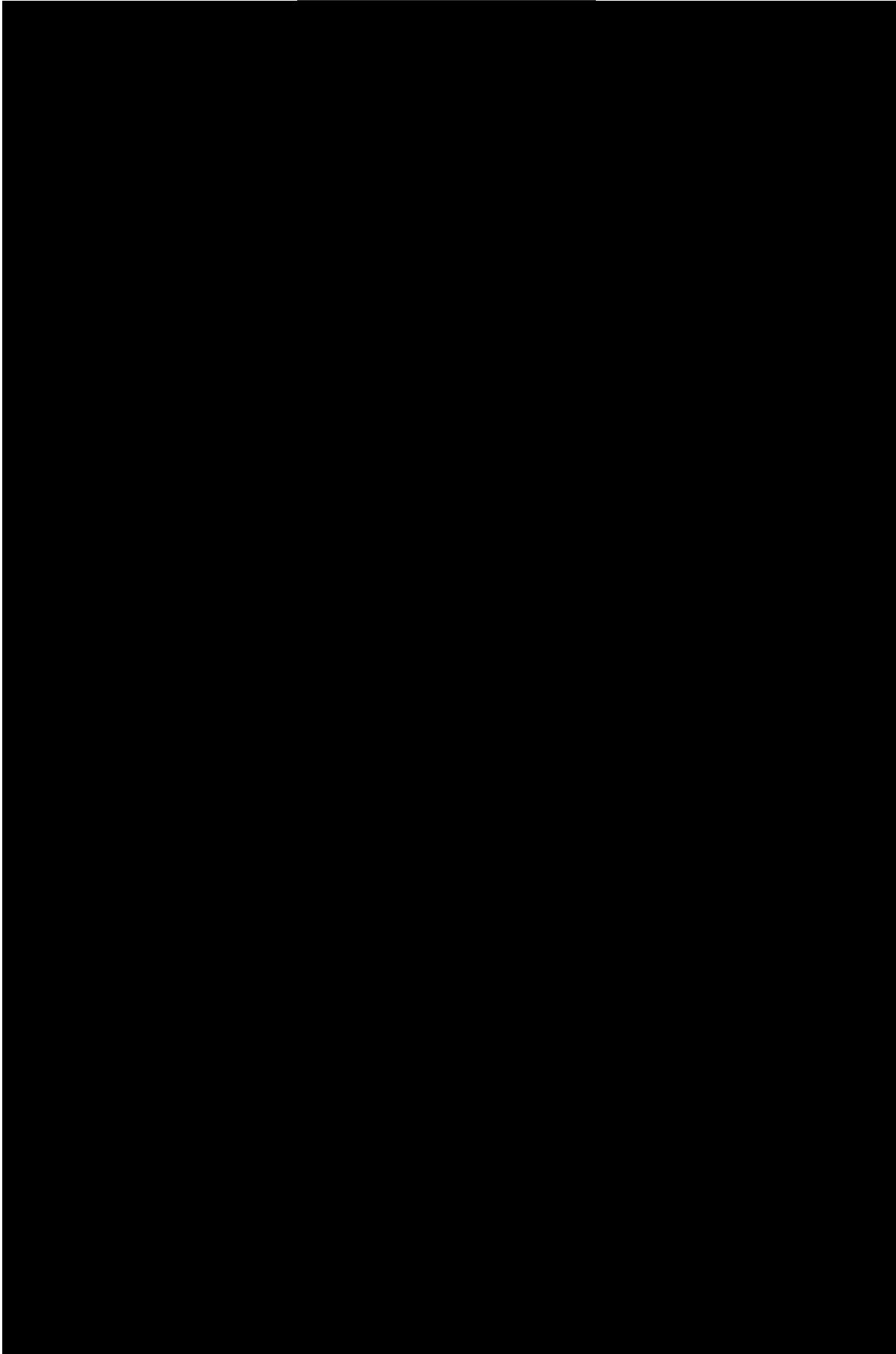


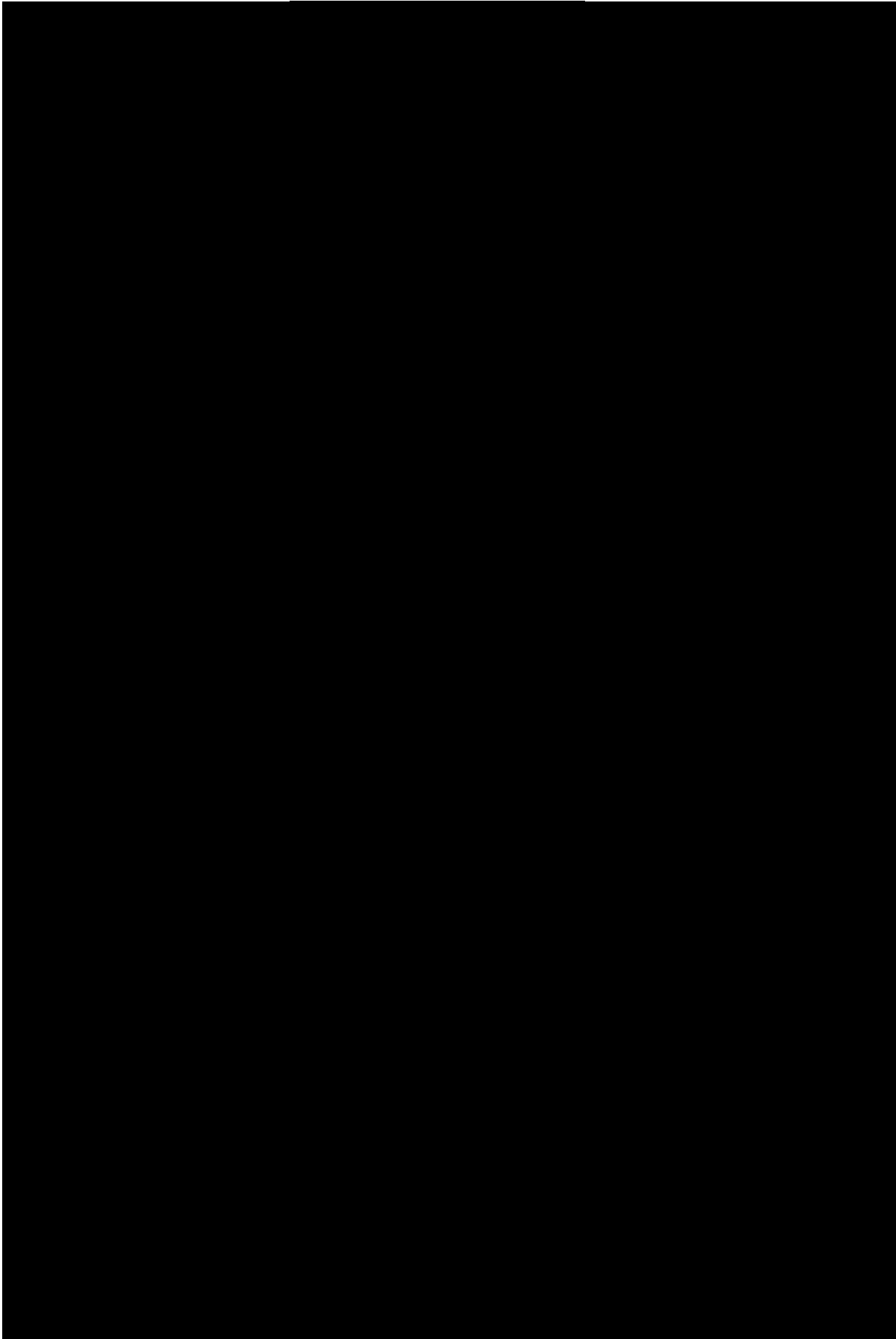














ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

February 17, 2020

Jake Freeman  
Central States Water Resources  
500 Northwest Plaza Dr., Suite 500  
St. Ann, MO 63074

Re: AI Name: Great Oaks WWTP  
AI No. 3041  
Case No. DOW-19-3-0148  
Activity No. ERF20190001  
Facility ID: KY0080845  
McCracken County

Dear Mr. Freeman:

Thank you for your submission of a Corrective Action Plan ("CAP") dated December 26, 2019, for the facility listed above, which the Cabinet has reviewed and accepted. The Division of Water has no comments regarding this CAP. Feel free to contact me at 502-782-8638 or [wesley.dement@ky.gov](mailto:wesley.dement@ky.gov) should you have any questions or concerns

Sincerely,

Wesley T. Dement,  
Environmental Enforcement Specialist  
Division of Enforcement





## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
Energy and Environment Cabinet  
Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd 3rd floor  
Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Great Oaks WWTF (KY0080845) submitted to the EEC on 12/26/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP plan documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be in decent condition and adequate to meet the permitted limits following operational improvements and basic repairs. Exceedances of permitted limits in the past (TSS, CBOD, Ammonia, E.Coli, TRC, and DO) appear to be the result of operational shortcomings and lack of reinvestment/maintenance under the previous ownership. We stated that we believed under our operations and with repairs, the facility would begin to consistently meet limits. Even at the time the CAP was submitted, our preliminary repairs and operational improvements had caused the plant to begin to more consistently meet limits, and it had become clear a significant issue for the plant meeting limits appeared to be failed aeration headers and an undersized blower for the facility. The CAP also laid out basic repairs that would be completed at the facility, with anticipated dates of completion for replacement of existing underperforming blower and repairs to the aeration piping and diffusers, repairs to the lift station and replacement of the redundant pump at the lift station, returning the sludge holding tank to operational service, installation of a flow meter and remote monitoring, and spot welding repairs to corroded areas on the plant. All of these improvements were completed by the anticipated schedule laid out in the CAP.

Throughout the CAP period, there have been several continued exceedances of permitted limits, however we believe that this does not indicate the need for a process change or additional improvements at the facility and instead were the result of the repair work and changes made to the facility and a necessary step in bringing the facility into compliance. In March and April of this year we observed tests exceeding limits for CBOD, TSS, and DO. These occurred at the time the aeration system was repaired, and the deficient blower was replaced. It was determined that the previous blower and diffusers were essentially underpowered and damaged enough that the air was dead-heading in the system and not properly aerating the bottom of the aeration basin. Upon repairing this system, replacing the deficient blower, and repairing the, excessive pin-floc formed and a breaking up of what had been a stagnant layer of sludge in the bottom of the plant. This has since stabilized. Since then, in May, exceedances of TRC and CBOD led to the identification of two additional issues with the plant that are currently being addressed. First, it was identified that flow through the clarifier was not operating as expected. Further investigation showed that the previous operator at some point had dumped a large amount of debris into the clarifier which was interrupting the designed flow pattern of the clarifier. The

1650 Des Peres Rd, Suite 303, St. Louis, MO 63131

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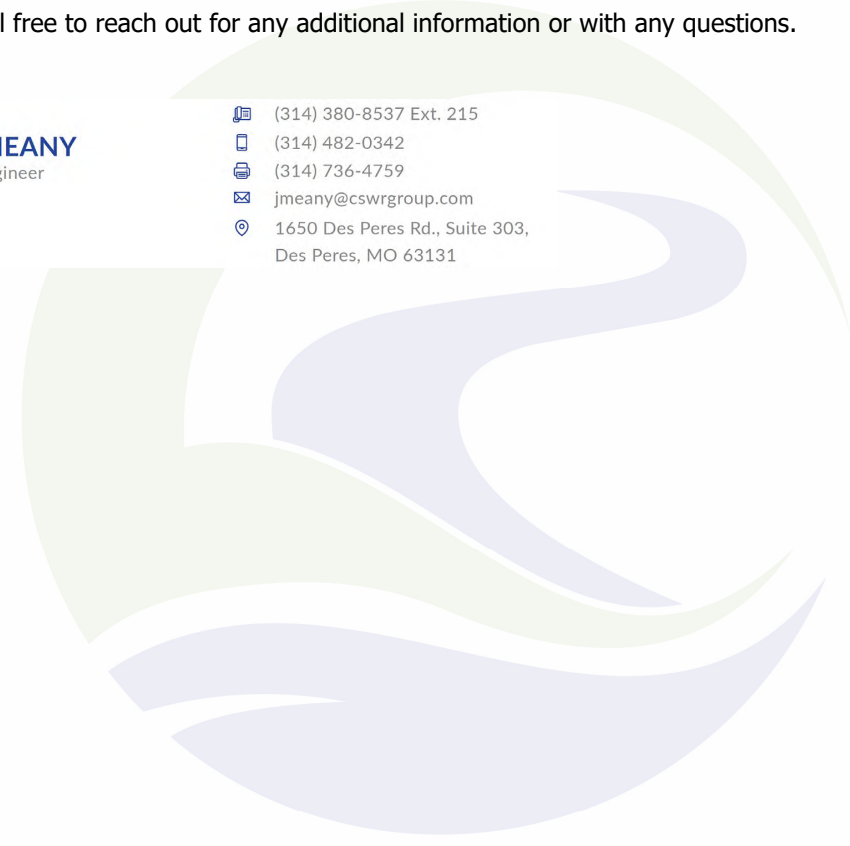
clarifier has since been pumped down and the layer of debris removed. This consisted of over 10 pipes of varying lengths, several cell phones, and other miscellaneous debris. There was enough debris in the bottom of the clarifier to seriously compromise the hydraulics of the return and sludge flow in the bottom of the clarifier.

Secondly, evidence of the digester leaking into the contact chamber was identified. We planned to clean out the digester, patch the leak(s) and ensure no additional leaking occurs. In a preliminary partial pump down, it became clear that there is more than one leak coming from the digester. The digester will need to be completely pumped down to make these repairs or replaced all together to eliminate this leaking. The repairs should be completed with either approach by 7/31/2020 followed by an additional period of operational observation to ensure no other deficiencies are contributing to the plant's issues. We would request to extend the CAP and send an additional update by 8/31/2020 concerning any further necessary repairs at the plant. Please let us know if this course of action is acceptable.

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
Utility Engineer



 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

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[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

Attn: Wes Dement  
 Energy and Environment Cabinet  
 Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd 3rd floor  
 Frankfort, KY 40601

Mr. Wes Dement,

In accordance with the Corrective Action Plan for Great Oaks WWTF (KY0080845) submitted to the EEC on 12/26/2019 and approved by the Department on 2/17/2020 I hereby submit this status report concerning improvements made to the facility and next steps.

In the original CAP documents, it was conveyed that an analysis of the system implied that the wastewater treatment facility appeared to be in decent condition and adequate to meet the permitted limits following operational improvements and basic repairs. Exceedances of permitted limits in the past (TSS, CBOD, Ammonia, E.Coli, TRC, and DO) appear to be the result of operational shortcomings and lack of reinvestment/maintenance under the previous ownership. We stated that we believed under our operations and with repairs, the facility would begin to consistently meet limits. At the time the CAP was submitted, our preliminary repairs and operational improvements had already caused the plant to more consistently meet limits, and it was clear failed aeration headers and an undersized blower for the facility were a large part of the problem. The CAP also laid out basic repairs that would be completed at the facility, with anticipated dates of completion for replacement of existing underperforming blower and repairs to the aeration piping and diffusers, repairs to the lift station and replacement of the redundant pump at the lift station, returning the sludge holding tank to operational service, installation of a flow meter and remote monitoring, and spot welding repairs to corroded areas on the plant. All these improvements were completed by the anticipated schedule laid out in the CAP.

In the status report submitted 6/30/2020 BWUOC notified that two additional issues had been identified, relating to flow through the clarifier and to the sludge holding/digester leaking into the contact chamber. The clarifier was drained and cleared and is now functioning properly. It was determined that the digester could not be repaired and would need to be replaced. BWUOC is currently preparing a construction permit application to install two stand alone tanks to replace the damaged digester and prevent further leaking of partially treated wastes into the contact chamber. Following this improvement, the facility should consistently meet limits. Additionally, we are evaluating switching from chlorine and dechlorination to peroxyacetic acid and post aeration for disinfection at some point in the future to reduce operational costs.

Please feel free to reach out for any additional information or with any questions.

Thanks,

**JON MEANY**  
 Utility Engineer

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## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Michael Kroeger (CC. Wesley Dement)  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Great Oaks WWTF  
KYPDES Permit No. KY0080845  
Agency Interest No. 3041

### Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Great Oaks WWTF approved by EEC/DEP on 2/17/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed and the main aeration plant is in better shape than it was at acquisition. The aeration system has had many parts repaired and/or replaced where they had been allowed to fall not disrepair by previous ownership. The influent line had been damaged and abandoned in favor of flex pipes. The influent lift station was repaired, and the proper influent line repaired and brought back into use. Steel walkways, handrails, and tanks have been sanded, patched, and painted to halt deterioration. Solids have been removed from the plant and it was discovered that the previous ownership had made a practice of dumping sections of piping and other materials into the clarifier. Many pipes, several cell phones and radios, and other debris were removed from the clarifier, restoring proper function. It was found that the damaged steel tank was allowing the digester to leak into the contact chamber, resulting in increased BOD, TSS, and ineffective disinfection. The digester has been removed from service as a result. Effluent quality has improved significantly with occasional exceedances of BOD and TRC; performance is being optimized. At acquisition, the effluent was an opaque grey color, and since our improvements the effluent is now very clear. The facility still struggles during rain events, and with the leak in the existing digester and having had to remove it from service, the facility struggles to handle solids without regular solids removal.

Per the original CAP, our evaluation following triage improvements has determined that the facility does require a construction permit to complete improvements. A construction permit has been submitted to install a new digester and wet weather storage basin. The construction permit has been issued and we have begun to order parts and materials. We believe that work will proceed fairly quickly expect to complete the improvements at Great Oaks by February 18, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Sincerely,

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[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

**JON MEANY**  
Utility Engineer

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Des Peres, MO 63131



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January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Great Oaks WWTF  
KYPDES Permit No. KY0080845  
Agency Interest No. 3041

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common goods & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined the repairs at Great Oaks will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Chavez Jr.", is positioned below the word "Sincerely,".

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Great Oaks WWTF  
KYPDES Permit No. KY0080845  
Agency Interest No. 3041

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. BWUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project for the electric upgrades. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined that the repairs at Great Oaks will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Chavez", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Great Oaks WWTF  
KYPDES Permit No. KY0080845  
Agency Interest No. 3041

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved February 17, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with supplies, materials and personnel availability for the on-going capital improvements project for the electric upgrades. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at Great Oaks will be completed by December 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager



## BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Wes Dement  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Timberland Subdivision WWTF  
KYPDES Permit No. KY0083755  
Agency Interest No. 3070

### Corrective Action Plan:

In light of the Timberland Subdivision WWTF's failure to meet permitted limits we submit the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of the Effluent Violations

- Ammonia
- Carbonaceous Biological Oxygen Demand (CBOD)
- Total Suspended Solids (TSS)
- E. Coli
- Total Residual Chlorine (TRC)
- Dissolved Oxygen (DO)

A review was performed of EPA's Echo compliance website which lists violations. The Timberland WWTF has been in "Significant noncompliance" for all of the last 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility. The package plant portion of the facility has not been maintained by the previous ownership and is severely rusted with several locations that appear to have leaked at some point in the plant's recent history. Piping for the plant is constructed of PVC which can degrade in sunlight and the blowers and pumps at the facility appear to be struggling to operate the plant, implying they are either undersized or reaching the end of their useful lives. Additionally, the contact chamber at the back of the lagoon is poorly constructed, undersized, and deteriorating. This would reduce the contact time with chlorine in the treatment process and not produce effective disinfection, leading to both E.Coli exceedances, and exceedances of Total Residual Chlorine. These point to the poor maintenance practices of the previous ownership. In light of the poor maintenance of these portions of the plant, it is also probable that the diffusers in the aeration plant are in poor condition and not properly aerating the wastewater being treated. This compromises the treatment process and can result in exceedances in any of the above limits.

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Previous ownership allowed the plant to fall into such a state of disrepair that it is realistic to expect that the package plant would need to be totally replaced to consistently meet limits using the current process. This is especially evident in the condition of the tankage itself that would require either massive patching or replacement.

## 2. System Evaluation and Corrective Actions

Due to the poor maintenance of the facility by previous ownership, the current plant is not capable of consistently meeting limits. The cost to totally retrofit the facility or replace the package plant has caused us to consider the alternative of modifying the treatment process for more reliable performance than the package plant could offer. As a result, improvements will be staged with some initial repairs followed improvements that will be completed under a construction permit.

The initial phase of improvements should include clearing the berms of the lagoon of vegetation and making repairs where needed, inspection and repair of blowers/service filters as needed, lift station pump inspection and repair/replacement, installation of Mission monitoring/generator quick connect/flow meter, inspection and repair of control panels, inspection and repairs of aeration piping system components, evaluation of the disinfection system, and potential patching of the steel tank structure.

Installation of Mission Remote Monitoring and the flow meter, as well as repair of the control panels at the facility will allow for greater operational control, as well as real time information on the flow through the facility. This provides invaluable data for accurately evaluating the facilities performance, and the potential need for further improvements. The flow data will also allow for accurate evaluation of the level of Inflow and Infiltration in the system during rain events. I&I can significantly compromise treatment process, and measure of the increased flow will help to determine if collection system repairs are needed.

The initial repairs will temporarily improve the function of the facility, while improvements implemented under a construction permit are approved and then built out. Currently, the plans for the construction permit are to add an MBBR to the plant. Any tankage that can be salvaged from the existing package plant will be converted to sludge holding/digester for sludge breakdown. Additionally, given the history of TRC and E. Coli violations, conversion to peracetic acid disinfection is being considered which would include installation of a tank for contact time at the outfall. We anticipate the construction permit for this facility will be submitted by the end of August.

## 3. Project Milestones

- Continue monitoring the facility for performance (10/31/20)
- Implement initial improvements detailed above (10/31/20)
- Submit status report detailing process improvements included in the Major Mod Construction Permit application submitted (9/30/20)

Sincerely,

**JON MEANY**  
Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
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Filed 8/10/2020 OAH

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 20-3-0001

IN RE: Joann Estates Utilities, Inc.  
Timberland Wastewater Treatment Plant  
6500 US Highway 60 W  
Paducah, KY 42001  
AI No. 3070  
Activity ID No. ERF20200001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 1650 Des Peres Road, Suite 303, Saint Louis, Missouri 63131.
3. Timberland Wastewater Treatment Plant (hereinafter "Timberland WWTP" or "facility"), is located on Timberland Drive, Paducah, McCracken County, Kentucky 42086. The facility has a design capacity of 0.025 million gallons per day and discharges to West Fork Massac Creek.
4. Timberland WWTP is currently owned and operated by Joann Estates Utilities, Inc. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems

(hereinafter “KPDES”) permit number KY0083755, issued by the Cabinet’s Division of Water (hereinafter “DOW”). The facility’s KPDES permit expires on January 31, 2025.

5. Joann Estates Utilities, Inc. is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Timberland WWTP, provided it receives from the Kentucky Public Service Commission (“Commission”) all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Timberland WWTP on or around March 31, 2020.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Timberland WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 2, 2020.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Timberland WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Timberland WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a “Change in Ownership Certification” to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,



Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Timberland WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

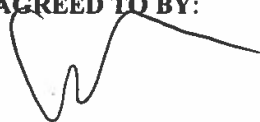
#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes

all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

**CASE NO. DOW 20-3-0001**

**AGREED TO BY:**



\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

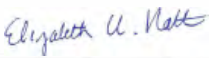
3-26-2020  
Date

CASE NO. DOW 20-3-0001

**APPROVAL RECOMMENDED BY:**

  
\_\_\_\_\_  
Michael B. Kroeger, Director ~~Asst. Dir.~~  
Division of Enforcement

4/1/2020  
Date

  
\_\_\_\_\_  
Elizabeth U. Natter, Executive Director  
Office of General Counsel

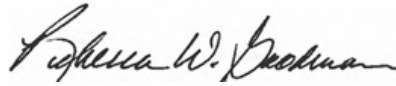
August 10, 2020  
Date

**CASE NO. DOW 20-3-0001**

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 10 day of August, 2020.

ENERGY AND ENVIRONMENT CABINET



REBECCA W. GOODMAN, SECRETARY of the  
ENERGY AND ENVIRONMENT CABINET

CASE NO. DOW 20-3-0001

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 10 day of August, 2020.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed, messenger to~~: Electronically mailed to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

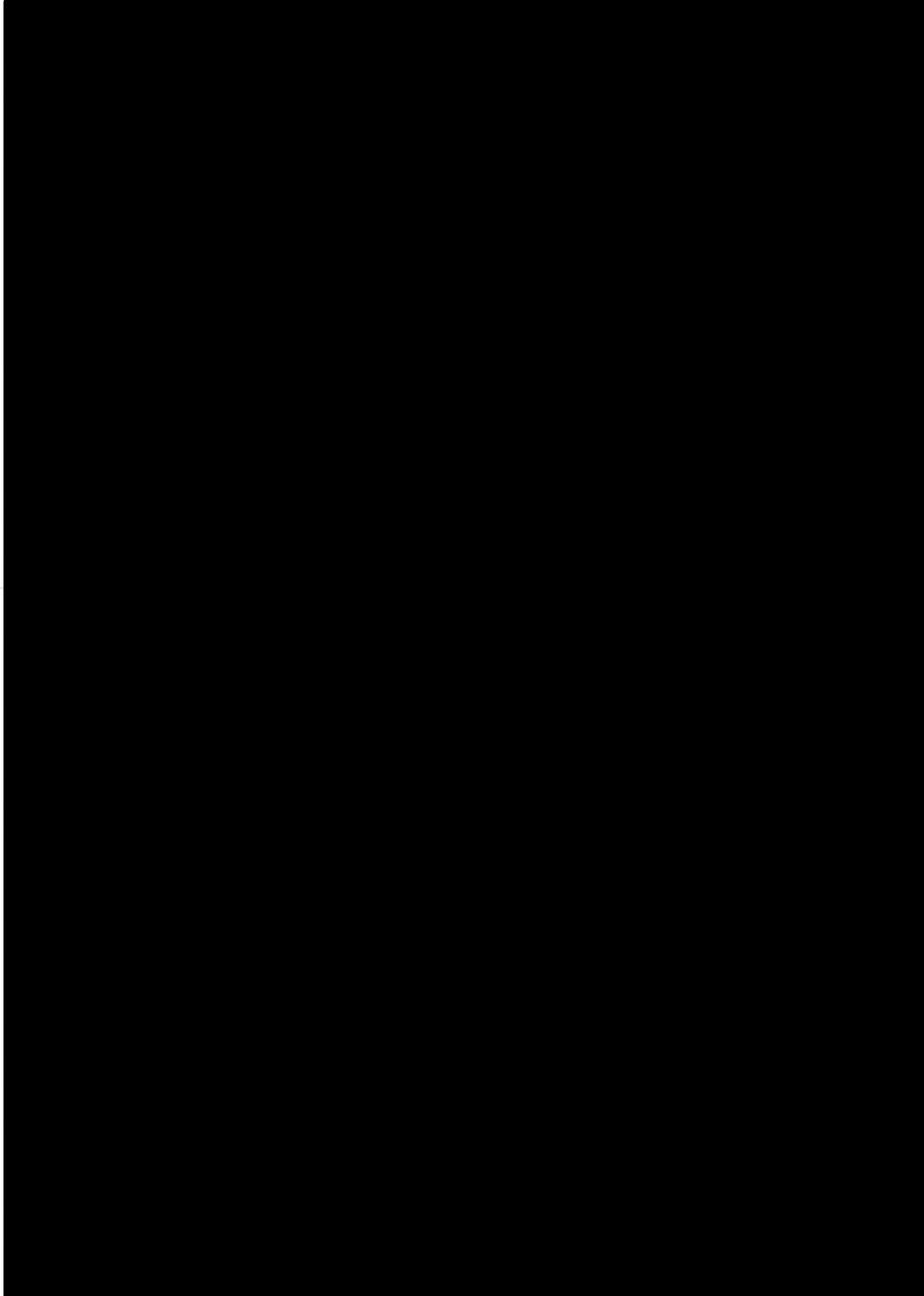
Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

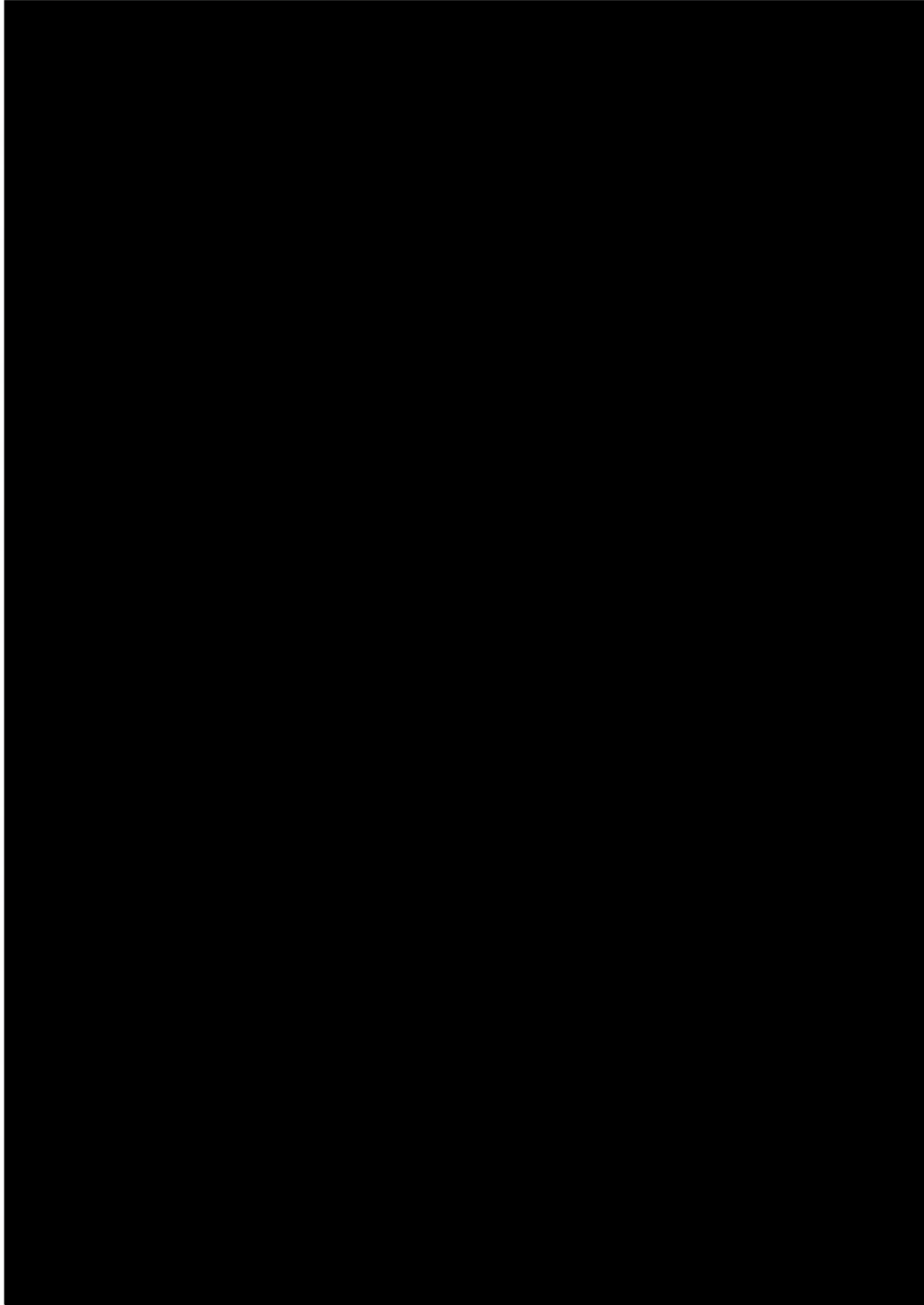
  
\_\_\_\_\_  
DOCKET COORDINATOR

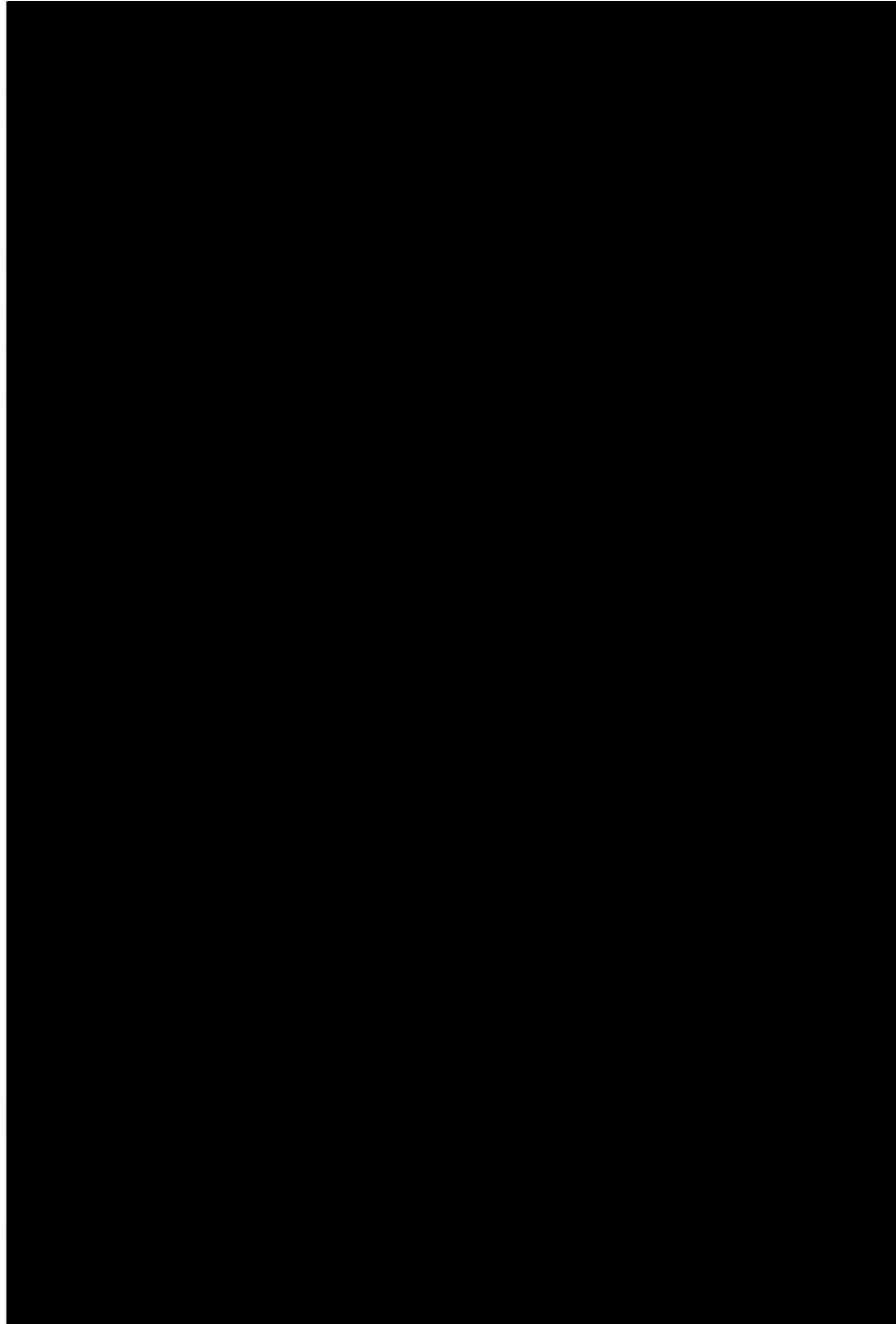
Distribution:  
DOW  
FBT  
S&H  
BGD

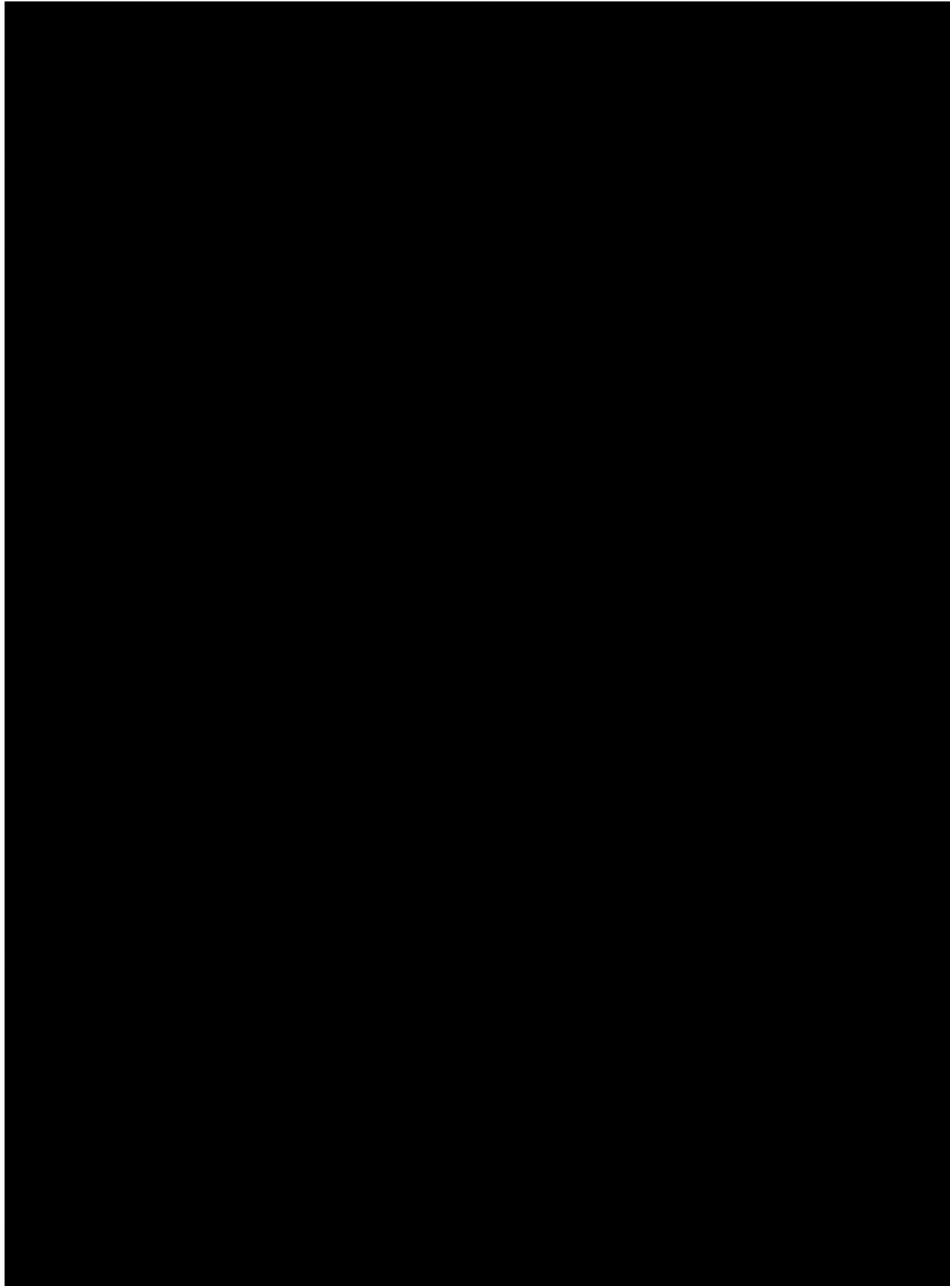


# Exhibit A











January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Timberland Subdivision WWTF  
KYPDES Permit No. KY0083755  
Agency Interest No. 3070

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved August 10, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common goods & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined the repairs at Timberland Subdivision will be completed by October 1, 2022. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Chavez Jr.", is positioned below the "Sincerely," text.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Timberland Subdivision WWTF  
KYPDES Permit No. KY0083755  
Agency Interest No. 3070

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved August 10, 2020. BWUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project for the electric upgrades. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined that the repairs at Timberland Subdivision will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Timberland Subdivision WWTF  
KYPDES Permit No. KY0083755  
Agency Interest No. 3070

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved August 10, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with the power company supplying power at this site. BWUOC completed the capital improvements project for the electric upgrades, however, power supply has not been completed as of today. With uncertainty from the power company and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined that the repairs at Timberland Subdivision will be completed by December 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager



**INGLE, KERRY**

---

**From:** Dement, Wesley T (EEC) <wesley.dement@ky.gov>  
**Sent:** Wednesday, March 3, 2021 10:35 AM  
**To:** Jonathan Meany  
**Subject:** Timberland and River Bluffs CAPs - Compliance Dates  
**Attachments:** River Bluffs Corrective Action Plan July 30 2020.pdf; Timberland Corrective Action Plan July 29 2020-1.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Jon,

Hope all is well with you. I'm reaching out re the two above facilities, CAPs for which are attached. As was the case with the earlier batch of facilities, we need to have final compliance dates set for these so that any violations in the meantime can be accounted for with the EPA. It looks like you guys had set some dates to provide updates on these while I was still gone last year, so apologies if this has already been done. If not, it would be best to get some updates on the progress at the facilities that included hard dates for final compliance. As was the case with the earlier facilities, these dates should be in the near-term but can be adjusted if the need arises.

Thanks and let me know if you have any questions.

**Wes Dement**

Environmental Enforcement Specialist II  
Division of Enforcement  
Department for Environmental Protection  
Energy and Environment Cabinet  
300 Sower Blvd 3<sup>rd</sup> floor  
Frankfort, KY 40601  
[wesley.dement@ky.gov](mailto:wesley.dement@ky.gov)  
502-782-8638



# BLUEGRASS WATER

Utility Operating Company

July 30, 2020

Wes Dement  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
River Bluffs Subdivision WWTF  
KYPDES Permit No. KY0043150  
Agency Interest No. 3367

#### Corrective Action Plan:

In light of the River Bluffs WWTF's failure to meet permitted limits we submit the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. With proper operation, the facility should be capable of meeting permit limits without process modification. Over the next several months, repairs will be made and monitoring will continue in order to confirm that the existing processes can meet permit limits.

#### 1. Causes of the Effluent Violations

- Ammonia
- Total Suspended Solids (TSS)

A review was performed of EPA's Echo compliance website which lists violations. The River Bluffs WWTF has been in a state of noncompliance for 6 of the last 12 quarters with repeated exceedances of the ammonia facilities ammonia limits as well as an exceedance of the Total Suspended Solids limit. It is noteworthy that while the ammonia exceedances have recurred, the exceedances do not appear to be severe and operational/maintenance improvements will likely be adequate to bring the facility into consistent compliance.

The facility is an activated sludge system, with grinding, chlorination, and dechlorination. The plant has a canopy installed over all plan structures. The facility consists of an influent lift station that flows into a splitter box that divides the flow evenly between two separate plants, which then flow together into an older plant which has been converted for use as the chlorine contact chamber, and into what was the influent lift station for the older plant and has since been converted for dechlorination and a weir ahead of the discharge point. The entire structure of the two activated sludge plants and the older plant exhibit severe rust to both the tank structure and all piping and treatment components. In some places, the piping has been replaced with PVC, which may or may not be adequate as a long-term piping solution given that the canopy offers some protection from UV, which will be evaluated in this initial period. In places where the piping hasn't been replaced, steel piping is severely corroded, and returns are not functioning properly. The older steel pipes that have been replaced with pvc were never properly removed, so corroding pipe is present throughout the plant.

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Given the condition of the rest of the plant and apparent lack of maintenance by previous ownership, it is likely that the air lines and diffusers are in similar states of disrepair, potentially compromising the efficacy of the aeration process and leading to the ammonia exceedances. When Bluegrass acquired the plant, the influent line was a PVC main that was strung over and hanging on the fencing around the facility, compressing the 3 strands of barbed wire at the top of the fence. This has already been properly reinstalled underground where it won't be damaged by UV and the fencing repaired. The TSS exceedance may point to improper operation of the facility, or issues with inflow and infiltration causing excessively high flow through the facility.

## 2. System Evaluation and Corrective Actions

Due to the poor maintenance of the facility by previous ownership, it is not currently clear if the facility is able to consistently meet permit limits with proper operation. To make this determination, it is necessary to begin a period of operational improvement, evaluation and repairs of existing facilities, and observation of plant performance.

In light of this improvements will be staged. The phase of initial improvements should include the inspection and replacement of blowers/service filters as needed, lift station pump inspection and repair/replacement, installation of Mission monitoring/generator quick connect/flow meter, inspection and replacement/repair of control panels, inspection and replacement of diffusers that have failed, evaluation and repair of corrosion/damaged steel components at the facility (patch welding, painting, etc), removal/replacement of corroded piping at the facility, and evaluation of the disinfection system.

The repair/replacement of the existing blowers, diffusers, and piping at the facility should greatly improve the effectiveness of the treatment process. This should aid in reducing ammonia levels.

Installation of Mission Remote Monitoring and the flow meter at the facility will allow for greater operational control, as well as real time information on the flow through the facility. This provides invaluable data for accurately evaluating the facilities performance, and the potential need for further improvements. The flow data will also allow for accurate evaluation of the level of Inflow and Infiltration in the system during rain events. I&I can significantly compromise treatment process, and measure of the increased flow will help to determine if collection system repairs are needed.

The initial evaluation and repairs at the facility will also allow the plant to be brought into a state where regular maintenance and inspections can be implemented to prevent the facility from falling back into the sort of disrepair that is evident from previous ownership.

Following these initial improvements, a period of observation and evaluation will be conducted to determine if a process change is needed at the facility to consistently meet limits that the facility has struggled with in the past.

## 3. Project Milestones

- Continue monitoring the facility for performance (10/31/20)
- Implement initial improvements detailed above (10/31/20)
- Submit status report detailing improvements and whether process changes are required (11/30/20)



# BLUEGRASS WATER

Utility Operating Company

July 29, 2020

Wes Dement  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Timberland Subdivision WWTF  
KYPDES Permit No. KY0083755  
Agency Interest No. 3070

#### Corrective Action Plan:

In light of the Timberland Subdivision WWTF's failure to meet permitted limits we submit the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of the Effluent Violations

- Ammonia
- Carbonaceous Biological Oxygen Demand (CBOD)
- Total Suspended Solids (TSS)
- E. Coli
- Total Residual Chlorine (TRC)
- Dissolved Oxygen (DO)

A review was performed of EPA's Echo compliance website which lists violations. The Timberland WWTF has been in "Significant noncompliance" for all of the last 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility. The package plant portion of the facility has not been maintained by the previous ownership and is severely rusted with several locations that appear to have leaked at some point in the plant's recent history. Piping for the plant is constructed of PVC which can degrade in sunlight and the blowers and pumps at the facility appear to be struggling to operate the plant, implying they are either undersized or reaching the end of their useful lives. Additionally, the contact chamber at the back of the lagoon is poorly constructed, undersized, and deteriorating. This would reduce the contact time with chlorine in the treatment process and not produce effective disinfection, leading to both E.Coli exceedances, and exceedances of Total Residual Chlorine. These point to the poor maintenance practices of the previous ownership. In light of the poor maintenance of these portions of the plant, it is also probable that the diffusers in the aeration plant are in poor condition and not properly aerating the wastewater being treated. This compromises the treatment process and can result in exceedances in any of the above limits.

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Previous ownership allowed the plant to fall into such a state of disrepair that it is realistic to expect that the package plant would need to be totally replaced to consistently meet limits using the current process. This is especially evident in the condition of the tankage itself that would require either massive patching or replacement.

## 2. System Evaluation and Corrective Actions

Due to the poor maintenance of the facility by previous ownership, the current plant is not capable of consistently meeting limits. The cost to totally retrofit the facility or replace the package plant has caused us to consider the alternative of modifying the treatment process for more reliable performance than the package plant could offer. As a result, improvements will be staged with some initial repairs followed improvements that will be completed under a construction permit.

The initial phase of improvements should include clearing the berms of the lagoon of vegetation and making repairs where needed, inspection and repair of blowers/service filters as needed, lift station pump inspection and repair/replacement, installation of Mission monitoring/generator quick connect/flow meter, inspection and repair of control panels, inspection and repairs of aeration piping system components, evaluation of the disinfection system, and potential patching of the steel tank structure.

Installation of Mission Remote Monitoring and the flow meter, as well as repair of the control panels at the facility will allow for greater operational control, as well as real time information on the flow through the facility. This provides invaluable data for accurately evaluating the facilities performance, and the potential need for further improvements. The flow data will also allow for accurate evaluation of the level of Inflow and Infiltration in the system during rain events. I&I can significantly compromise treatment process, and measure of the increased flow will help to determine if collection system repairs are needed.

The initial repairs will temporarily improve the function of the facility, while improvements implemented under a construction permit are approved and then built out. Currently, the plans for the construction permit are to add an MBBR to the plant. Any tankage that can be salvaged from the existing package plant will be converted to sludge holding/digester for sludge breakdown. Additionally, given the history of TRC and E. Coli violations, conversion to peracetic acid disinfection is being considered which would include installation of a tank for contact time at the outfall. We anticipate the construction permit for this facility will be submitted by the end of August.

## 3. Project Milestones

- Continue monitoring the facility for performance (10/31/20)
- Implement initial improvements detailed above (10/31/20)
- Submit status report detailing process improvements included in the Major Mod Construction Permit application submitted (9/30/20)

Sincerely,

**JON MEANY**  
Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 733-4759  
 jmeany@cswwgroup.com  
 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
www.centralstateswaterresources.com



**BLUEGRASS WATER**  
**Utility Operating Company**  
 A CSWR Managed Utility

March 11, 2021

Michael Kroeger (CC. Wesley Dement)  
 Kentucky Department for Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3rd Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
 Timberland Subdivision WWTP  
 KYPDES Permit No. KY0083755  
 Agency Interest No. 3070

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the Timberland Subdivision WWTF dated 7/29/2020. The scope of the original CAP was completed within the projected schedule of the CAP. Triage and repair work has been completed, including repairs to the lagoon berms, repairs to the influent lift station, rerouting of yard piping, repairs to the aeration tankage, repairs to the aeration piping and other aeration components, and regrading around the lift station and plant. Plant performance has improved significantly and DMR data shows reduced pollutant loading since acquisition, especially regarding CBOD5 and Ammonia levels. However, the facility is still struggling with some permit limits.

As described in the original CAP, a construction permit was submitted with plans to convert the existing lagoon into wet weather storage, and to convert the disinfection system to peroxyacetic acid disinfection with post aeration. Originally, we had intended to add a single stage MBBR to the facility as well, however with the triage repairs it became apparent that the facility was capable of meeting ammonia limits without the additional process. We are still awaiting the final approval of the construction permit; however, work should proceed quickly following receipt of the permit. We expect that all improvements will be completed at the Timberland facility and the facility should be in consistent compliance with permit limits by March 30, 2022.

Sincerely,

**JON MEANY**  
 Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
 Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



# BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 29, 2020

Wes Dement  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
Timberland Subdivision WWTF  
KYPDES Permit No. KY0083755  
Agency Interest No. 3070

#### Corrective Action Plan:

In light of the Timberland Subdivision WWTF's failure to meet permitted limits we submit the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of the Effluent Violations

- Ammonia
- Carbonaceous Biological Oxygen Demand (CBOD)
- Total Suspended Solids (TSS)
- E. Coli
- Total Residual Chlorine (TRC)
- Dissolved Oxygen (DO)

A review was performed of EPA's Echo compliance website which lists violations. The Timberland WWTF has been in "Significant noncompliance" for all of the last 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility. The package plant portion of the facility has not been maintained by the previous ownership and is severely rusted with several locations that appear to have leaked at some point in the plant's recent history. Piping for the plant is constructed of PVC which can degrade in sunlight and the blowers and pumps at the facility appear to be struggling to operate the plant, implying they are either undersized or reaching the end of their useful lives. Additionally, the contact chamber at the back of the lagoon is poorly constructed, undersized, and deteriorating. This would reduce the contact time with chlorine in the treatment process and not produce effective disinfection, leading to both E.Coli exceedances, and exceedances of Total Residual Chlorine. These point to the poor maintenance practices of the previous ownership. In light of the poor maintenance of these portions of the plant, it is also probable that the diffusers in the aeration plant are in poor condition and not properly aerating the wastewater being treated. This compromises the treatment process and can result in exceedances in any of the above limits.

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Previous ownership allowed the plant to fall into such a state of disrepair that it is realistic to expect that the package plant would need to be totally replaced to consistently meet limits using the current process. This is especially evident in the condition of the tankage itself that would require either massive patching or replacement.

## 2. System Evaluation and Corrective Actions

Due to the poor maintenance of the facility by previous ownership, the current plant is not capable of consistently meeting limits. The cost to totally retrofit the facility or replace the package plant has caused us to consider the alternative of modifying the treatment process for more reliable performance than the package plant could offer. As a result, improvements will be staged with some initial repairs followed improvements that will be completed under a construction permit.

The initial phase of improvements should include clearing the berms of the lagoon of vegetation and making repairs where needed, inspection and repair of blowers/service filters as needed, lift station pump inspection and repair/replacement, installation of Mission monitoring/generator quick connect/flow meter, inspection and repair of control panels, inspection and repairs of aeration piping system components, evaluation of the disinfection system, and potential patching of the steel tank structure.

Installation of Mission Remote Monitoring and the flow meter, as well as repair of the control panels at the facility will allow for greater operational control, as well as real time information on the flow through the facility. This provides invaluable data for accurately evaluating the facilities performance, and the potential need for further improvements. The flow data will also allow for accurate evaluation of the level of Inflow and Infiltration in the system during rain events. I&I can significantly compromise treatment process, and measure of the increased flow will help to determine if collection system repairs are needed.

The initial repairs will temporarily improve the function of the facility, while improvements implemented under a construction permit are approved and then built out. Currently, the plans for the construction permit are to add an MBBR to the plant. Any tankage that can be salvaged from the existing package plant will be converted to sludge holding/digester for sludge breakdown. Additionally, given the history of TRC and E. Coli violations, conversion to peracetic acid disinfection is being considered which would include installation of a tank for contact time at the outfall. We anticipate the construction permit for this facility will be submitted by the end of August.

## 3. Project Milestones

- Continue monitoring the facility for performance (10/31/20)
- Implement initial improvements detailed above (10/31/20)
- Submit status report detailing process improvements included in the Major Mod Construction Permit application submitted (9/30/20)

Sincerely,

**JON MEANY**  
Utility Engineer

 (314) 380-8537 Ext. 215  
 (314) 482-0342  
 (314) 736-4759  
 jmeany@cswrgroup.com  
 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
www.centralstateswaterresources.com





# BLUEGRASS WATER

Utility Operating Company

A CSWR Managed Utility

July 30, 2020

Wes Dement  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
River Bluffs Subdivision WWTF  
KYPDES Permit No. KY0043150  
Agency Interest No. 3367

#### Corrective Action Plan:

In light of the River Bluffs WWTF's failure to meet permitted limits we submit the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. With proper operation, the facility should be capable of meeting permit limits without process modification. Over the next several months, repairs will be made and monitoring will continue in order to confirm that the existing processes can meet permit limits.

#### 1. Causes of the Effluent Violations

- Ammonia
- Total Suspended Solids (TSS)

A review was performed of EPA's Echo compliance website which lists violations. The River Bluffs WWTF has been in a state of noncompliance for 6 of the last 12 quarters with repeated exceedances of the ammonia facilities ammonia limits as well as an exceedance of the Total Suspended Solids limit. It is noteworthy that while the ammonia exceedances have recurred, the exceedances do not appear to be severe and operational/maintenance improvements will likely be adequate to bring the facility into consistent compliance.

The facility is an activated sludge system, with grinding, chlorination, and dechlorination. The plant has a canopy installed over all plan structures. The facility consists of an influent lift station that flows into a splitter box that divides the flow evenly between two separate plants, which then flow together into an older plant which has been converted for use as the chlorine contact chamber, and into what was the influent lift station for the older plant and has since been converted for dechlorination and a weir ahead of the discharge point. The entire structure of the two activated sludge plants and the older plant exhibit severe rust to both the tank structure and all piping and treatment components. In some places, the piping has been replaced with PVC, which may or may not be adequate as a long-term piping solution given that the canopy offers some protection from UV, which will be evaluated in this initial period. In places where the piping hasn't been replaced, steel piping is severely corroded, and returns are not functioning properly. The older steel pipes that have been replaced with pvc were never properly removed, so corroding pipe is present throughout the plant.

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)

Given the condition of the rest of the plant and apparent lack of maintenance by previous ownership, it is likely that the air lines and diffusers are in similar states of disrepair, potentially compromising the efficacy of the aeration process and leading to the ammonia exceedances. When Bluegrass acquired the plant, the influent line was a PVC main that was strung over and hanging on the fencing around the facility, compressing the 3 strands of barbed wire at the top of the fence. This has already been properly reinstalled underground where it won't be damaged by UV and the fencing repaired. The TSS exceedance may point to improper operation of the facility, or issues with inflow and infiltration causing excessively high flow through the facility.

## 2. System Evaluation and Corrective Actions

Due to the poor maintenance of the facility by previous ownership, it is not currently clear if the facility is able to consistently meet permit limits with proper operation. To make this determination, it is necessary to begin a period of operational improvement, evaluation and repairs of existing facilities, and observation of plant performance.

In light of this improvements will be staged. The phase of initial improvements should include the inspection and replacement of blowers/service filters as needed, lift station pump inspection and repair/replacement, installation of Mission monitoring/generator quick connect/flow meter, inspection and replacement/repair of control panels, inspection and replacement of diffusers that have failed, evaluation and repair of corrosion/damaged steel components at the facility (patch welding, painting, etc), removal/replacement of corroded piping at the facility, and evaluation of the disinfection system.

The repair/replacement of the existing blowers, diffusers, and piping at the facility should greatly improve the effectiveness of the treatment process. This should aid in reducing ammonia levels.

Installation of Mission Remote Monitoring and the flow meter at the facility will allow for greater operational control, as well as real time information on the flow through the facility. This provides invaluable data for accurately evaluating the facilities performance, and the potential need for further improvements. The flow data will also allow for accurate evaluation of the level of Inflow and Infiltration in the system during rain events. I&I can significantly compromise treatment process, and measure of the increased flow will help to determine if collection system repairs are needed.

The initial evaluation and repairs at the facility will also allow the plant to be brought into a state where regular maintenance and inspections can be implemented to prevent the facility from falling back into the sort of disrepair that is evident from previous ownership.

Following these initial improvements, a period of observation and evaluation will be conducted to determine if a process change is needed at the facility to consistently meet limits that the facility has struggled with in the past.

## 3. Project Milestones

- Continue monitoring the facility for performance (10/31/20)
- Implement initial improvements detailed above (10/31/20)
- Submit status report detailing improvements and whether process changes are required (11/30/20)

**COPY**

**Filed 11/12/2020 OAH**

**COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 20-3-0002**

**IN RE: River Bluffs Inc.  
River Bluffs Wastewater Treatment Plant  
13121 Creekview Road  
Prospect, KY 40059  
AI No. 3367  
Activity ID No. ERF20200001**

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. River Bluffs Wastewater Treatment Plant (hereinafter "River Bluffs WWTP" or "facility"), is located at 13121 Creekview Road, Prospect, Kentucky 40059. The facility has a design capacity of 0.066 million gallons per day and discharges to an unnamed tributary of Pond Creek.
4. River Bluffs WWTP is currently owned and operated by River Bluffs, Inc. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination Systems

(hereinafter "KPDES") permit number KY0043150, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on December 31, 2024.

5. River Bluffs, Inc. is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire River Bluffs WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of River Bluffs WWTP on or around March 31, 2020.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at River Bluffs WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 2, 2020.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to River Bluffs WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of River Bluffs WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of River Bluffs WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

#### **TERMINATION**

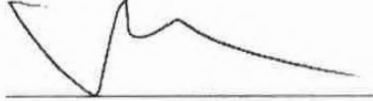
26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes



**all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.**

**CASE NO. DOW 20-3-0002**

**AGREED TO BY:**



Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

3-26-2020


Date

**CASE NO. DOW 20-3-0002**

**APPROVAL RECOMMENDED BY:**

  
Michael B. Kroppger, Director *Asst. Dir.*  
Division of Enforcement

4/1/2020  
Date

  
Elizabeth U. Natter, Executive Director  
Office of General Counsel

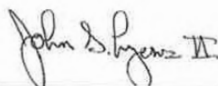
August 10, 2020  
Date

**CASE NO. DOW 20-3-0002**

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 12th day of November, 2020.

**ENERGY AND ENVIRONMENT CABINET**



**FOR**

**REBECCA W. GOODMAN, SECRETARY of the  
ENERGY AND ENVIRONMENT CABINET**

**CASE NO. DOW 20-3-0002**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 12th day of November, 2020.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed~~ messenger to:

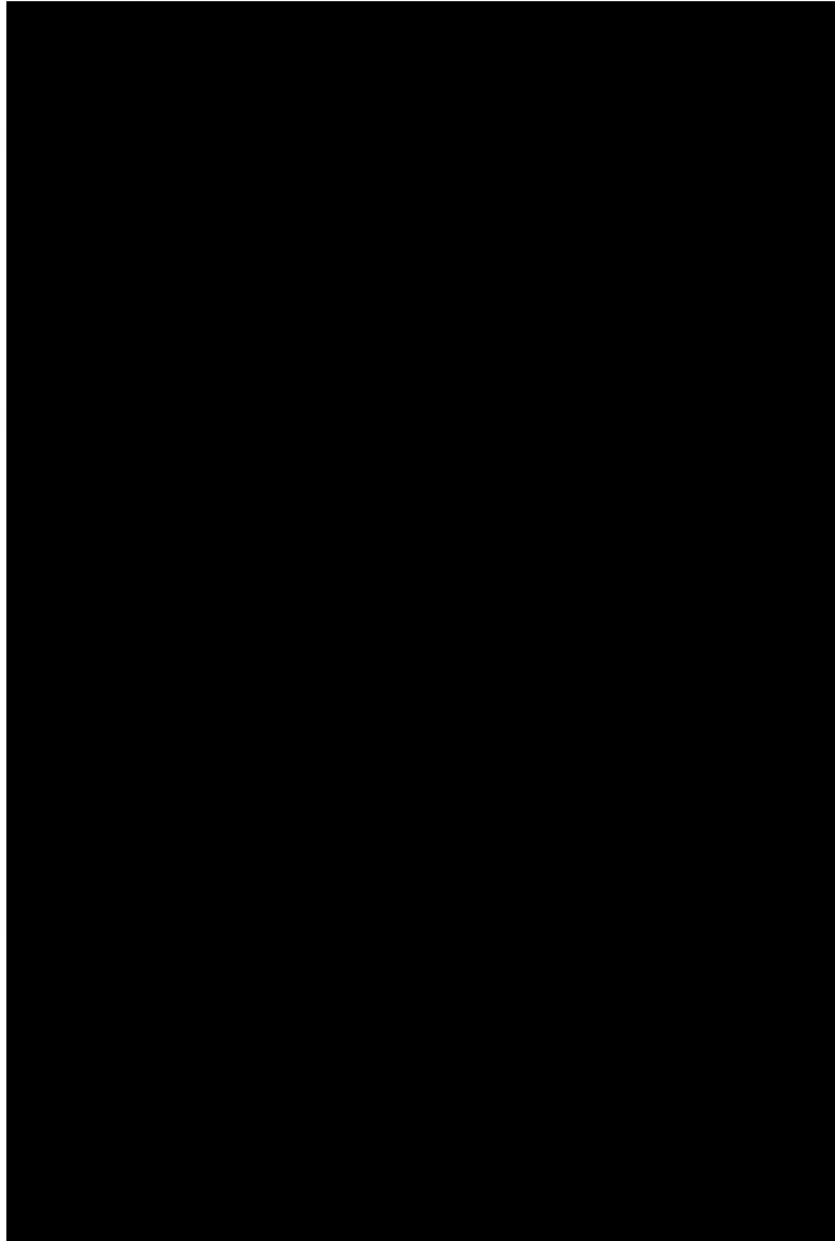
Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

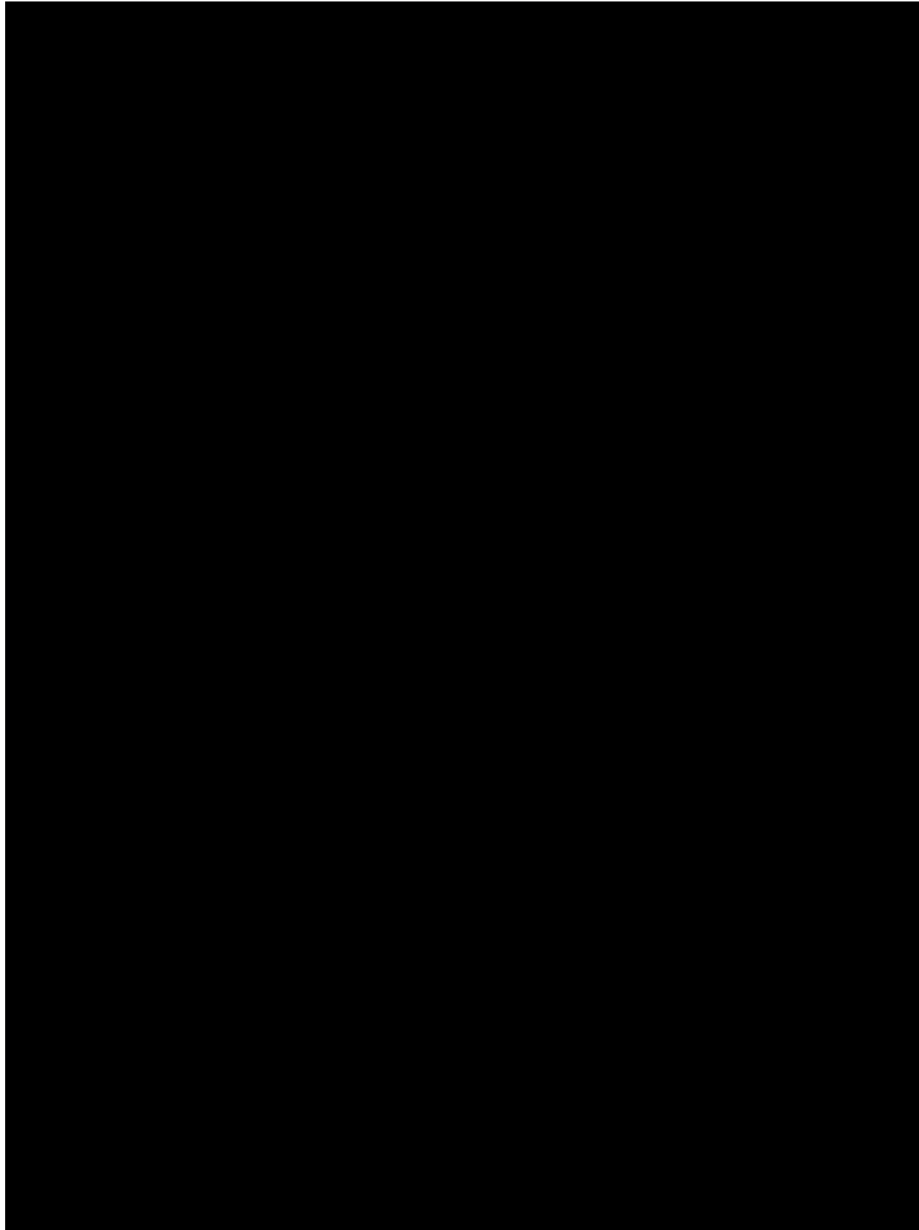
Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

  
\_\_\_\_\_  
DOCKET COORDINATOR

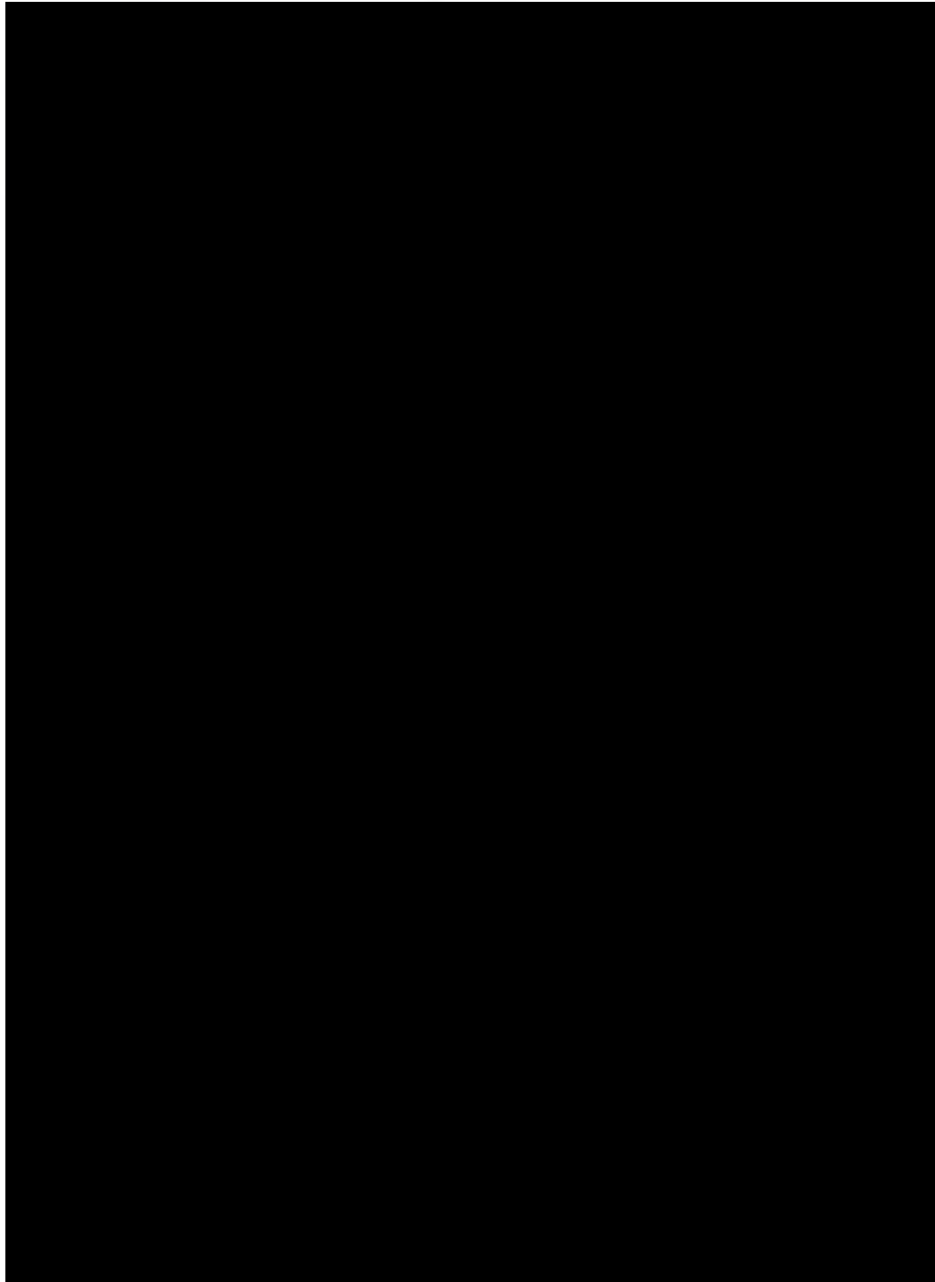
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DOW  
FBT  
S&H  
BGD

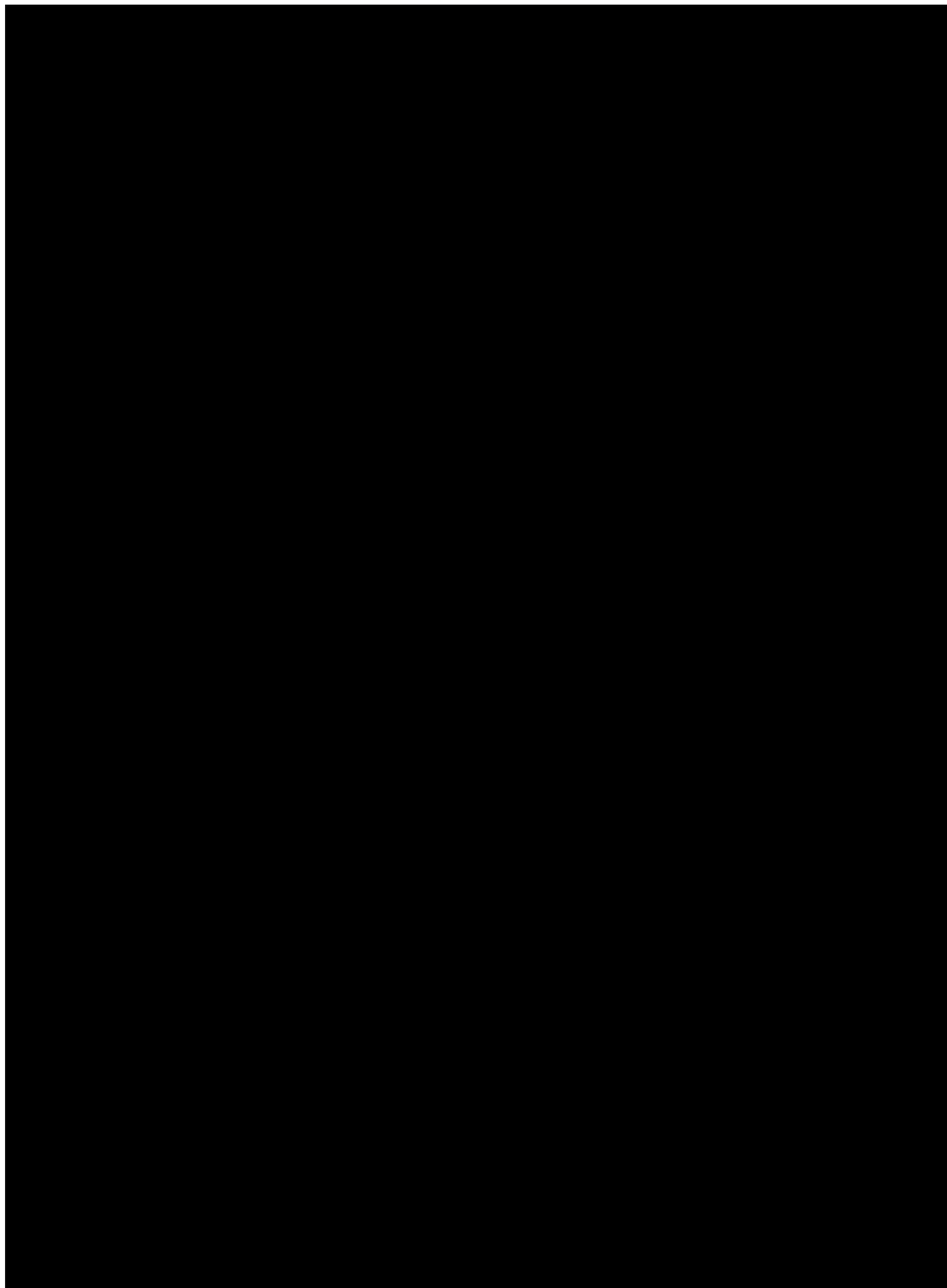
# Exhibit A













**BLUEGRASS WATER**  
Utility Operating Company  
A CSWR Managed Utility

March 11, 2021

Michael Kroeger (CC. Wesley Dement)  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
River Bluffs WWTP  
KYPDES Permit No. KY0043150  
Agency Interest No. 3367

Corrective Action Plan Revision:

I am pleased to submit this update to the Corrective Action Plan for the River Bluffs WWTF dated 7/30/2020. AS described in the initial corrective action plan the facility was in poor condition at acquisition. As triage work has proceeded the facility has been found to be in worse condition than originally perceived, especially concerning general degradation of steel tankage and equipment. As a result, the scope of triage work has expanded and is still ongoing. This work still primarily consists of repairs to steel tanks, replacement of aeration piping, diffusers, headers, RAS lines, replacement of blowers and general facility repairs. The plant is still struggling to meet some limits, primarily as a consequence of the triage work being performed requiring portions of the facility to be temporarily shut down, however we expect that the facility will not require any process changes or additional upgrades following initial triage.

The expanded extent of the triage work will require an extension of the projected schedule to complete this work. We now expect that all triage work will be completed, and the plant dialed in for ongoing performance by September 30, 2021. Following these improvements, the facility should be able to consistently comply with permitted limits.

Sincerely,

**JON MEANY**  
Utility Engineer

📞 (314) 380-8537 Ext. 215  
📱 (314) 482-0342  
🖨️ (314) 736-4759  
✉️ jmeany@cswrgroup.com  
📍 1650 Des Peres Rd., Suite 303,  
Des Peres, MO 63131

1650 Des Peres Rd., Suite 303, St. Louis, MO 63131  
[www.centralstateswaterresources.com](http://www.centralstateswaterresources.com)



January 28, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
River Bluffs Subdivision WWTF  
KYPDES Permit No. KY0043150  
Agency Interest No. 3367

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved November 12, 2020. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on our initial assessment. Due to the effect of COVID-19, our contractors have encountered delays on supplies and materials on common goods & services. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined the repairs at River Bluffs Subdivision will be completed by October 1, 2022. Following the improvements included in the corrective action plan, the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned below the word "Sincerely,".

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager

@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com



September 23, 2022

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
River Bluffs Subdivision WWTF  
KYPDES Permit No. KY0043150  
Agency Interest No. 3367

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved November 12, 2020. BWUOC submitted an extension request on January 28, 2022, with a projected completion date of October 1, 2022. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project for the blower upgrades and the disinfection system expansion. With uncertainty of material deliveries and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLC determined that the repairs at River Bluffs will be completed by March 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned below the word "Sincerely,".

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Utility Project Manager



March 14, 2023

Nicholas Fields  
Kentucky Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3rd Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, Inc.  
River Bluffs Subdivision WWTF  
KYPDES Permit No. KY0043150  
Agency Interest No. 3367

On behalf of Bluegrass Water Utility Operating Company, LLC, we are submitting this letter to address the current Corrective Action Plan status that was approved November 12, 2020. BWUOC submitted an extension request on September 23, 2022, with a projected completion date of March 31, 2023. We are continuing to work to effluent compliance for this facility.

Per the original CAP, Bluegrass Water UOC continues to make improvements stipulated on the submitted construction permit. BWUOC continues to encounter delays with materials for the on-going capital improvements project for the blower upgrades and the disinfection system expansion. Our general contractor completed the decommission and installation of half of the blower installation project. With uncertainty of material deliveries, prolonged lead times and unexpected changes to our timeframe for completion, Bluegrass Water Utility Operating Company, LLS determined that the repairs at River Bluffs will be completed by December 31, 2023. Following the improvements included in the construction permit the facility should be able to consistently comply with permitted limits.

Please let me know if this letter meets the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned above the typed name.

Enrique Chavez Jr.  
Bluegrass Water Utility Operating Company, LLC  
Program & Compliance Manager

Filed 9/27/2021 OAH

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0028

IN RE: Delaplain Disposal Company  
Delaplain Disposal WWTP  
249 West Yusen Drive.  
Georgetown, KY 40324  
AI No. 3901  
Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Delaplain Disposal Wastewater Treatment Plant (hereinafter "Delaplain," "Delaplain WWTP" or "facility"), is located at 249 West Yusen Drive, Georgetown, Kentucky 40324. The facility has a design capacity of 0.24 million gallons per day and discharges to an unnamed tributary of Dry Run.
4. Delaplain WWTP is currently owned and operated by Delaplain Disposal Company. The facility's discharges are permitted under Kentucky Pollutant Discharge Elimination

Systems (hereinafter "KPDES") permit number KY0079049, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on January 31, 2026.

5. Delaplain Disposal Company is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Delaplain WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Delaplain WWTP on or around March 1, 2021.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Delaplain WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 26, 2021.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Delaplain WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Delaplain WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065



Section 2(1).

12. Within thirty (30) days of execution of this Agreed Order, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Delaplain WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.


#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes

all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 21-3-0028

AGREED TO BY:

  
Josiah Cox (Aug 10, 2021 11:18 CDT)  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

Aug 10, 2021  
Date

APPROVAL RECOMMENDED BY:

CASE NO. DOW 21-3-0028



Michael B. Kroeger, Director (Assistant)  
Division of Enforcement

9/9/2021

Date

Elizabeth U. Natter, Executive Director  
Office of General Counsel

9/24/2021

Date

CASE NO. DOW 21-3-0028

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 27th day of September, 2021.

ENERGY AND ENVIRONMENT CABINET



---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman,  
Secretary Energy & Environment Cabinet



CASE NO. DOW 21-3-0028

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 27th day of September, 2021.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed, messenger to:~~ Electronically mailed to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

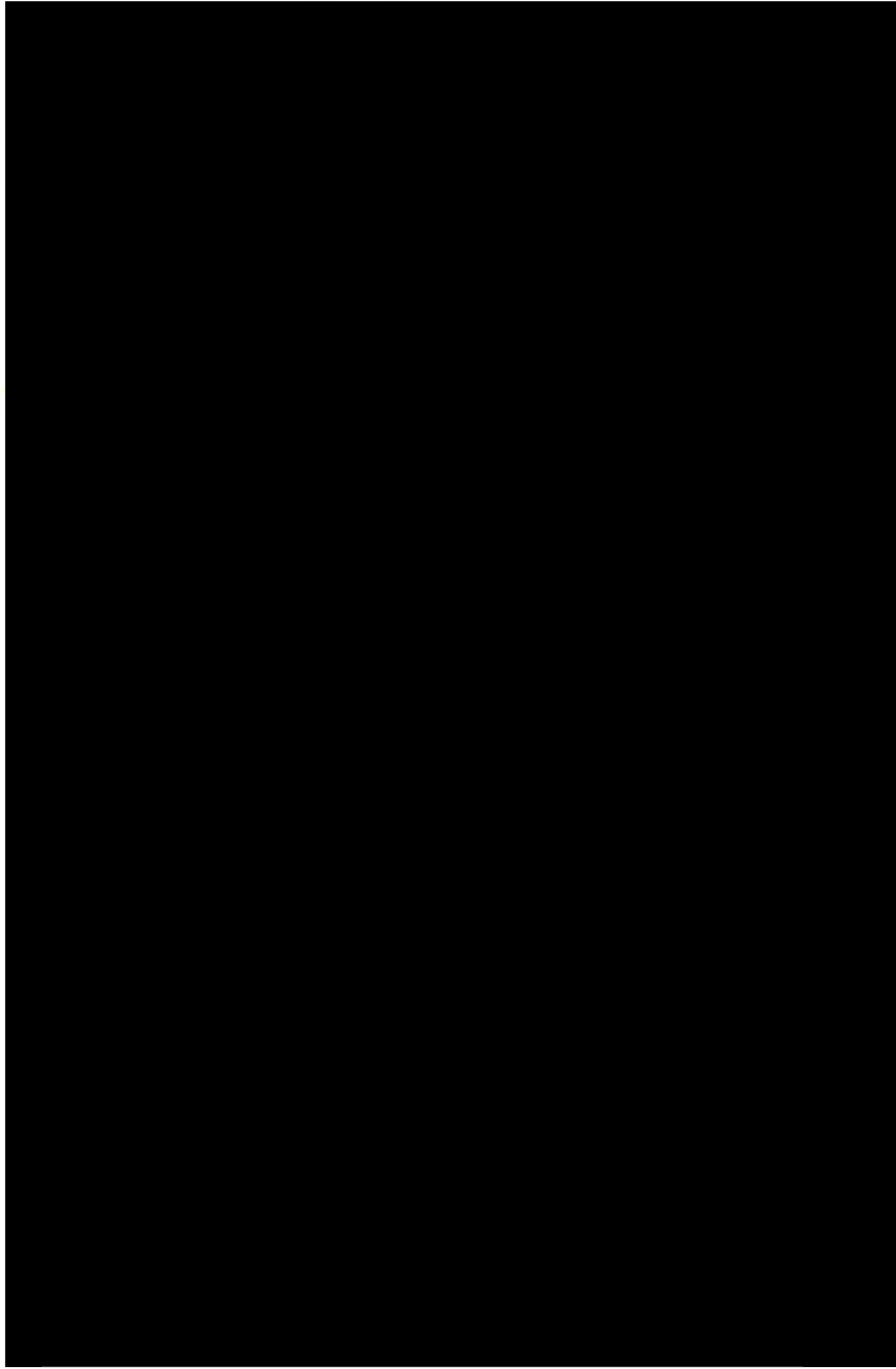
  
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DOCKET COORDINATOR

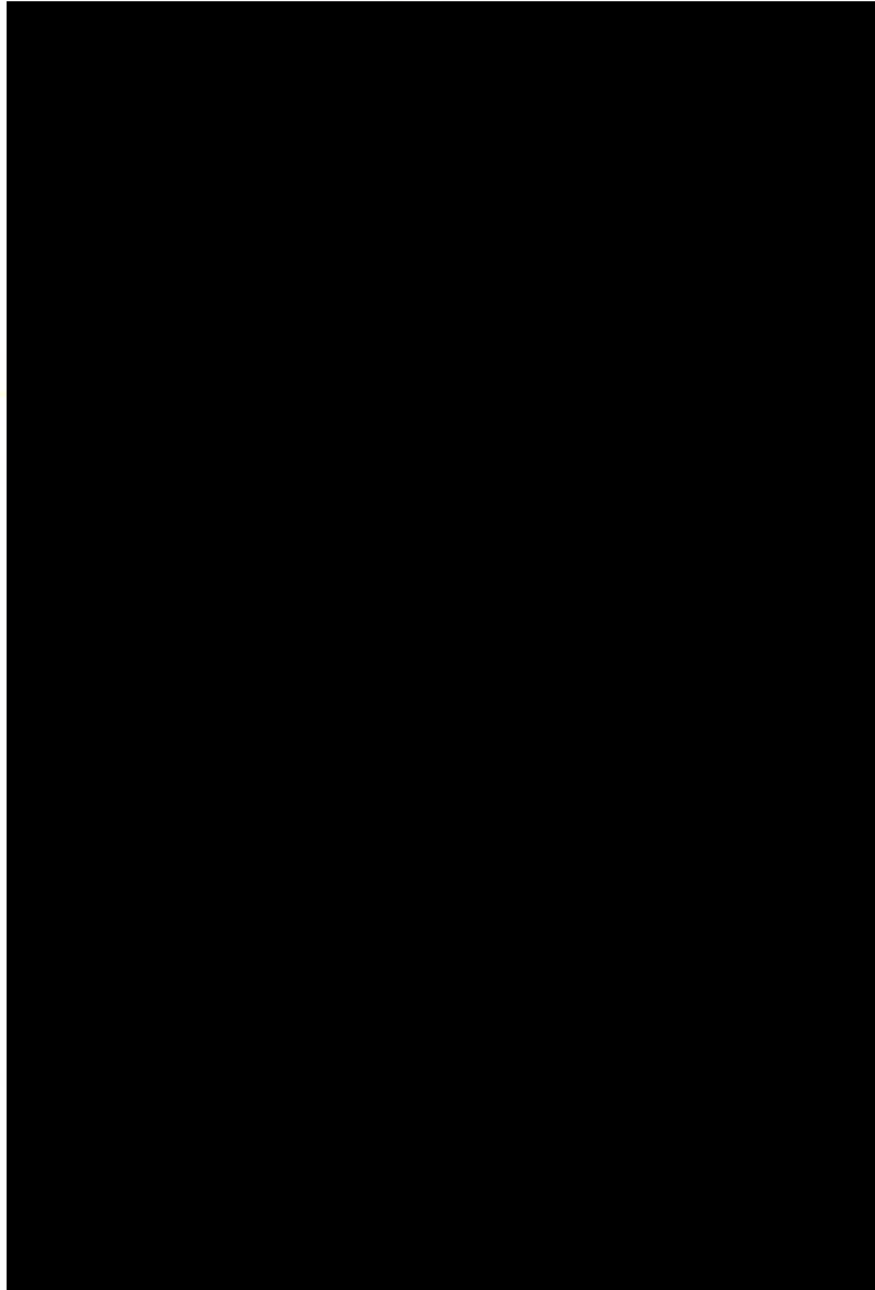
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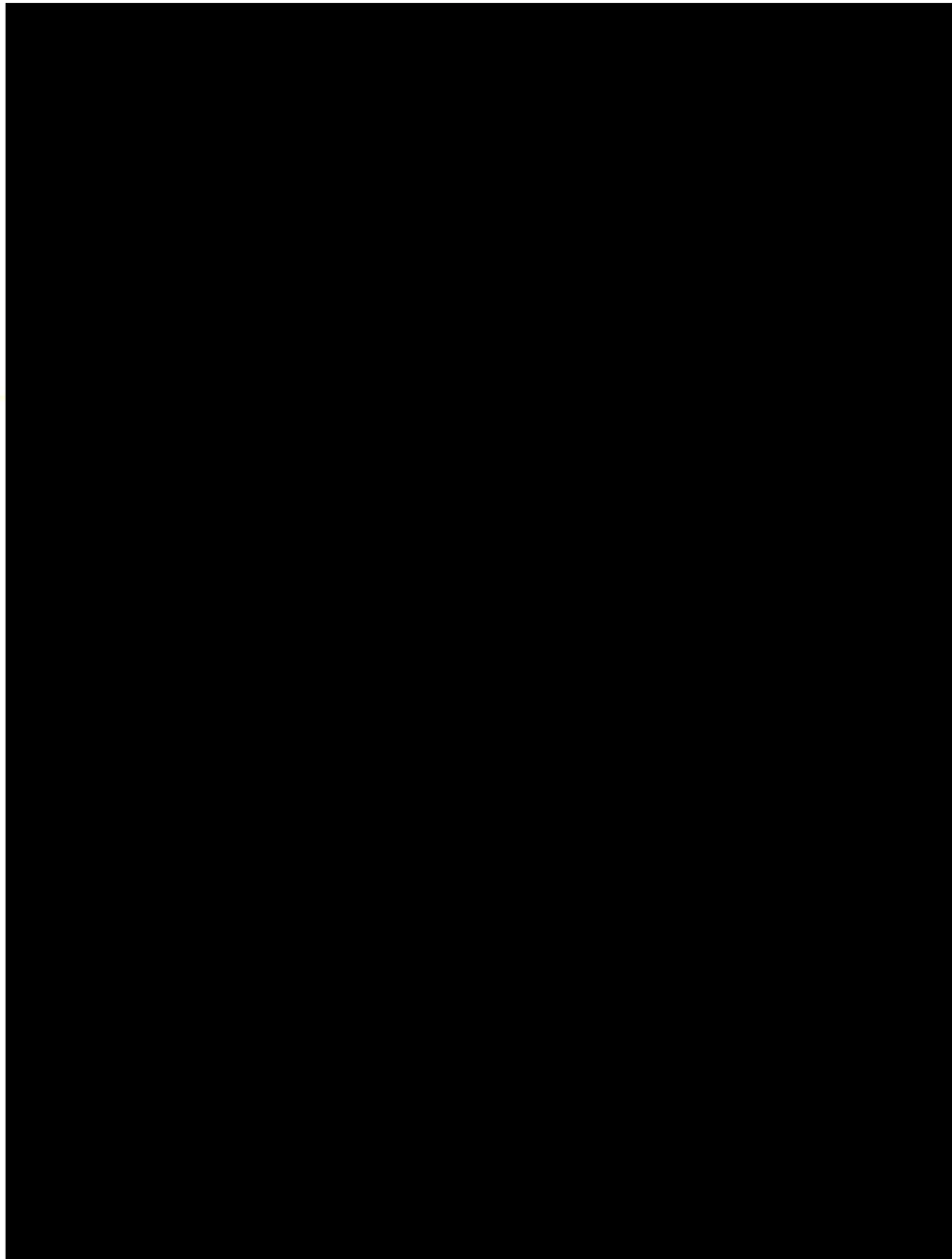
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# Exhibit A

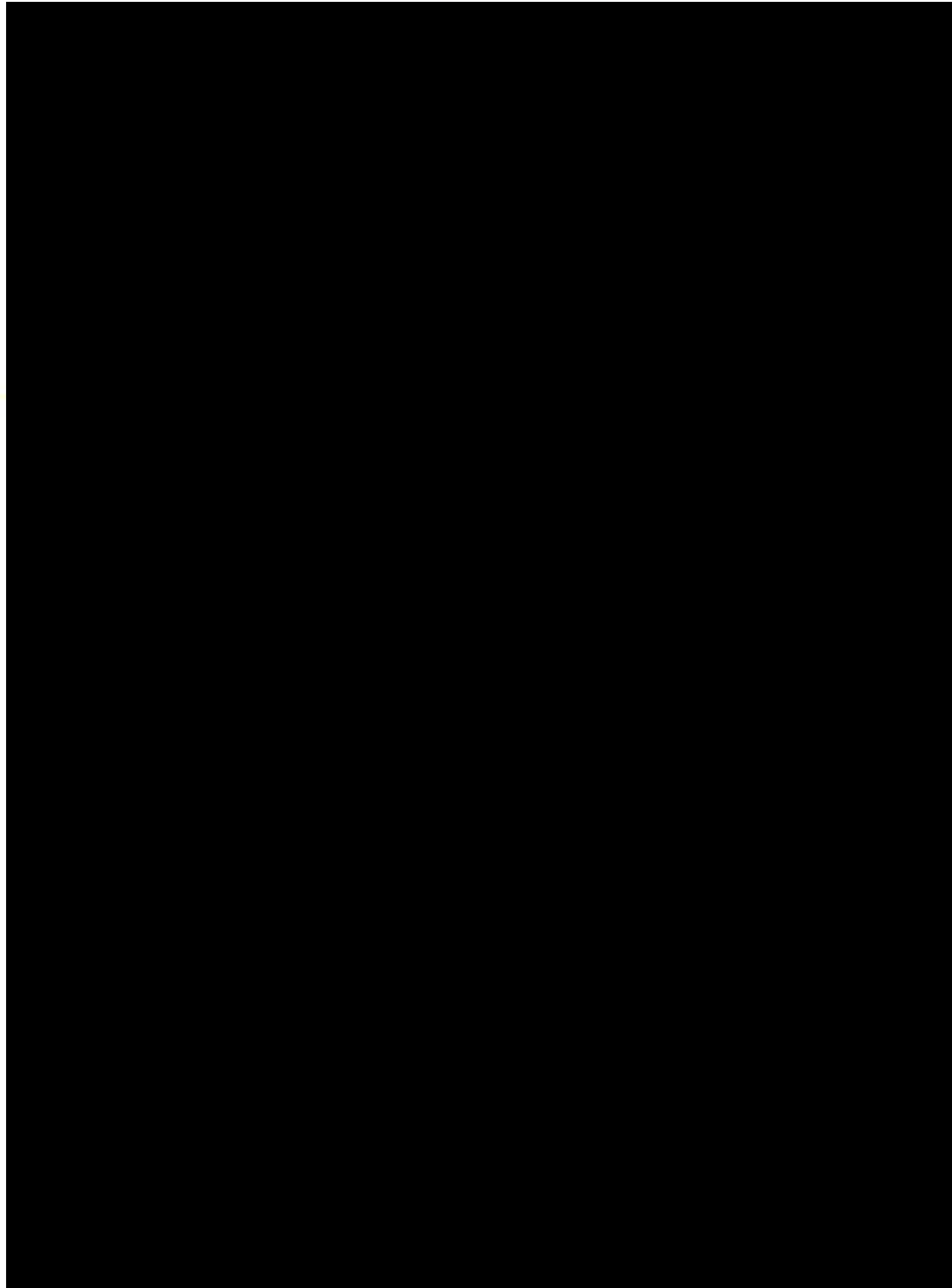




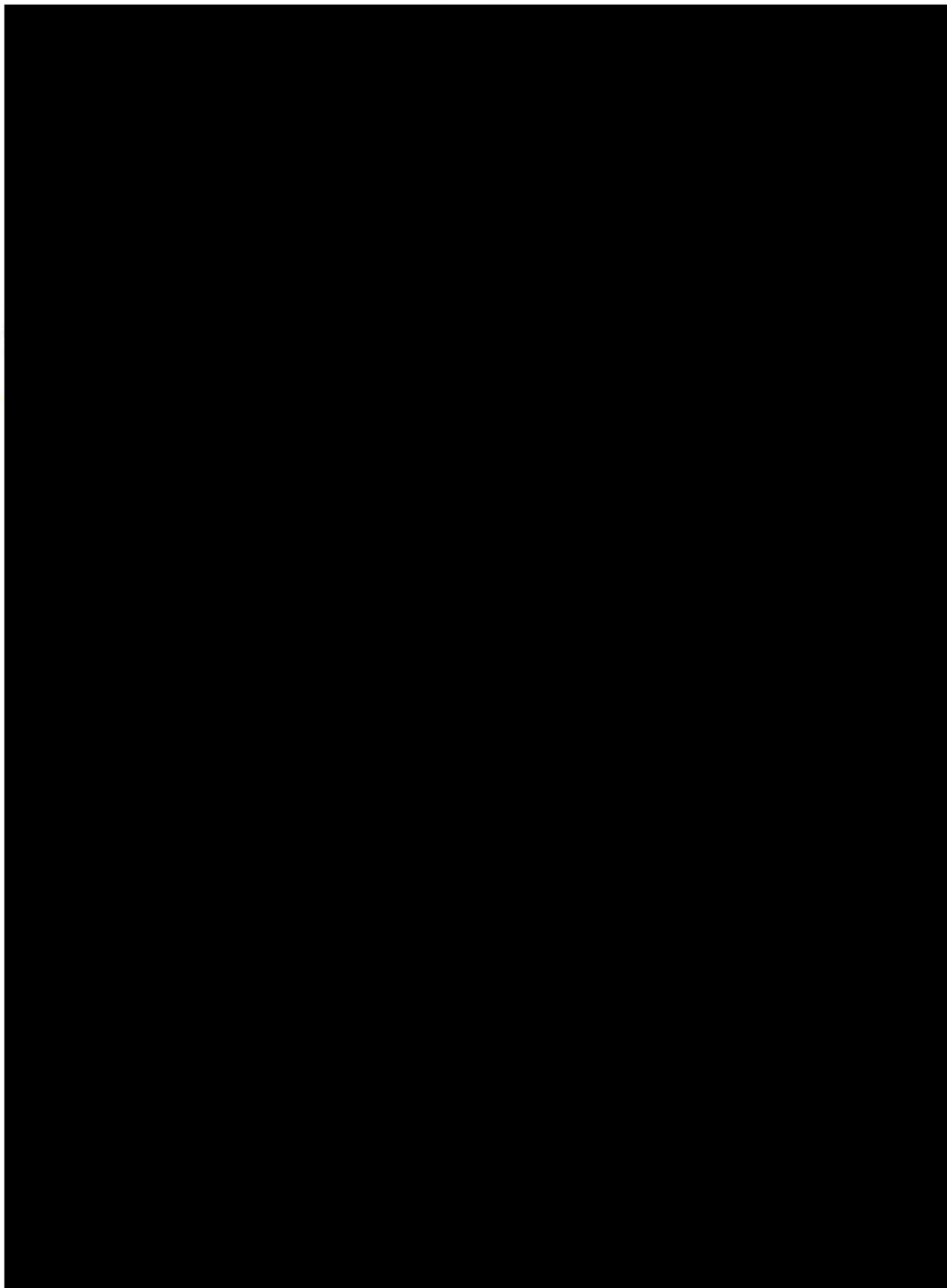



















# DOW 21-3-0028 - Delaplain Disposal Company AO

Final Audit Report

2021-08-10

Created:	2021-08-09
By:	Mandy Keubler (mkeubler@cswrgroup.com)
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## "DOW 21-3-0028 - Delaplain Disposal Company AO" History

-  Document created by Mandy Keubler (mkeubler@cswrgroup.com)  
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October 20, 2021

Nicholas Fields  
Kentucky Department of Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3<sup>rd</sup> Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, LLC  
Delaplain Disposal WWTP  
KYPDES Permit No. KY0079049  
Agency No. 3901

### Corrective Action Plan

In light of the Delaplain Disposal WWTP's failure to meet permitted limits, Bluegrass Water submits the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by the previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of Effluent Violations

- Ammonia
- Total Suspended Solids (TSS)
- Carbonaceous Biological Oxygen Demand (CBOD)
- E. Coli

A review was performed of EPA's Echo compliance website which lists violations. The Delaplain WWTF has been in "Significant noncompliance" for all of the last 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility.

The facility is reaching capacity limitations, as the average daily flow and peak flows periodically exceed the rated capacity of the plant. The new operators have significantly improved the average performance of the facility, but the organic and hydraulic overloading conditions remain and during wet weather events, the facility is at risk of continued violations. The heavy organic loading also results in having minimal sludge storage capacity.

#### 2. System Evaluation and Corrective Actions

The existing system will need to be expanded in the coming years. In an effort to make progress toward this goal as a part of the short term improvements, the improvements will be phased.

A Mission Monitoring system has already been installed and is being utilized to remotely monitor the facility. The existing flow meter has been calibrated, and the system flows and loadings are being monitored. Ultimately, we believe that the system will require an increase in capacity from a rated average daily flow of 240,000 gpd to at least 300,000 gpd, and the peak flows received at the plant will need to be equalized to reduce peak flows sent into the plant. Ultimately, the improvements should include the addition of equalization and influent pumping facilities (to reduce peak flows conveyed into the plant), conversion from activated sludge to integrated fixed film activated



sludge (to reduce the solids loading to the clarifier, to increase the allowable flow rate into the clarifier, and to reduce sludge production), and the addition of tertiary filtration. The system may also ultimately require the addition of a second stage of clarification; however, the flows into the system are being monitored to see if this will ultimately be required.

Because the new operators have successfully turned around the system performance and met limits 5 of the 6 most recent months, we propose to make improvements in phases with the expectation that the first phase of improvements will allow the system to meet effluent limits in the short term. However, the Delaplain area is growing rapidly and the need for a second stage of improvements is anticipated.

The first phase of improvements will include the addition of moving bed biological reactor "cages" to be installed within the existing aeration tanks and for new blowers to supply air to the integral diffusers. It is anticipated that the new cages will allow the mixed liquor concentration to be utilized within the activated sludge system to drop from 4,000-5,000 mg/L down to 2,000-2,500 mg/L. (Future phases of improvements could allow the mixed liquor to be eliminated entirely, and this will be part of the plan). This reduction in biological solids in the system will have a significant benefit on the solids loading rate to the clarifier, it will reduce the depth of the sludge blanket in the clarifier, and it will reduce the overall waste activated sludge solids produced. The addition of a tertiary filtration system will also be included in the first phase of improvements. When the clarifier experiences hydraulic overloading conditions, the tertiary filter will be able to capture any solids leaving the clarifier system.

The existing system uses chlorine gas to disinfect and sodium bisulfate gas to dechlorinate. The existing chemical feed systems will remain in service. However, the effluent flow meter and dechlorination feed system will be relocated to downstream of the filter to increase the contact time and to allow the water level in chlorine contact tank and post aeration tank to be raised to allow the effluent to flow by gravity to the new filter. The first phase of improvements will also include the addition of a polymer feed system to be used during wet weather events to retain biomass in the secondary clarifier.

The second phase of improvements will include the addition of an equalization tank and an influent pumping system to minimize the peak flows sent to system. Between the first and second phases of construction, the reduction of infiltration and inflow will be targeted.

It is possible that a third phase of improvements to add a second stage clarifier may be required in the future. It is understood that the system area is growing rapidly.

### 3. Project Milestones

- a. Continue monitoring performance of facility (June 30, 2023)
- b. Submit construction permit application for major modifications (January 15, 2022)
- c. Procure equipment (May 15, 2022)
- d. Receive Construction Permit (August 30, 2022)
- e. Complete construction (June 30, 2023)



Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is positioned below the word "Sincerely,".

**ENRIQUE CHAVEZ JR.**  
Utility Project Manager

(314) 380-8043  
(314) 437-5714  
(314) 736-4743  
[echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
1650 Des Peres Rd., Suite 303  
Des Peres, MO 63131  
[centralstateswaterresources.com](http://centralstateswaterresources.com)





March 17, 2022

Nicholas Fields  
Kentucky Department of Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3<sup>rd</sup> Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, LLC  
Delaplain Disposal WWTP  
KYPDES Permit No. KY0079049  
Agency No. 3901

### Corrective Action Plan

In light of the Delaplain Disposal WWTP's failure to meet permitted limits, Bluegrass Water submits the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by the previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of Effluent Violations

- Ammonia
- Total Suspended Solids (TSS)
- Carbonaceous Biological Oxygen Demand (CBOD)
- E. Coli

A review was performed of EPA's Echo compliance website which lists violations. At the time of Bluegrass Water's acquisition of the Delaplain WWTF, it had been in a state of "Significant noncompliance" for the previous 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility. Following acquisition by Bluegrass water, operational improvements, facility cleanup, and basic repairs have begun and while facility performance has improved the facility continues to exceed permitted limits for Ammonia, total residual chlorine, E.coli, Ammonia, Total suspended solids, and CBOD. The facility is reaching capacity limitations, as the average daily flow and peak flows periodically exceed the rated capacity of the plant. The new operators have significantly improved the average performance of the facility, but the organic and hydraulic overloading conditions remain and during wet weather events, the facility is at risk of continued violations. The heavy organic loading also results in having minimal sludge storage capacity.

#### 2. System Evaluation and Corrective Actions

Improvements must be made to the facility, including process modifications in order for the plant to reliably meet permitted limits. Mission Monitoring system has already been installed and is being utilized to remotely monitor the facility. The existing flow meter has been calibrated, and the system flows, and loadings are being monitored. Ultimately, we believe that the system will require an increase in capacity from a rated average daily flow of 240,000 gpd to at least 300,000 gpd, and the peak flows received at the plant will need to be equalized to reduce peak flows sent





into the plant. The improvements should include the addition of equalization and influent pumping facilities (to reduce peak flows conveyed into the plant), conversion from activated sludge to integrated fixed film activated sludge (to reduce the solids loading to the clarifier, to increase the allowable flow rate into the clarifier, and to reduce sludge production), the use of currently unused equalization tank for post-aeration, chlorine contact time, and effluent pumping/post-equalization, and the addition of tertiary filtration. The system may also require the addition of a second stage of clarification; however, the flows into the system are being monitored to see if this will be required.

Because the new operators have successfully turned around the system performance and met limits 5 of the 6 most recent months, we propose to make improvements in phases with the expectation that the first phase of improvements will allow the system to meet effluent limits in the short term. However, the Delaplain area is growing rapidly and the need for a second stage of improvements is anticipated.

The first phase of improvements will include the addition of moving bed biological reactor "cages" to be installed within the existing aeration tanks and for new blowers to supply air to the integral diffusers. It is anticipated that the new cages will allow the mixed liquor concentration to be utilized within the activated sludge system to drop from 4,000-5,000 mg/L down to 2,000-2,500 mg/L. (Future phases of improvements could allow the mixed liquor to be eliminated entirely, and this will be part of the plan). This reduction in biological solids in the system will have a significant benefit on the solids loading rate to the clarifier, it will reduce the depth of the sludge blanket in the clarifier, and it will reduce the overall waste activated sludge solids produced.

Effluent from the clarifier will be diverted into the existing package plant's equalization tank section where chlorine feed will be introduced, the dissolved oxygen level will be raised with post-aeration, and the contents of the equalization tank will be pumped to a new tertiary filtration system in the first phase of improvements. The existing chlorine contact chamber used is much smaller than this equalization tank, so the new system will have significantly more contact time as a result (reducing the required amount of chemical consumption). The use of the equalization tank and variable frequency drive controlled pumping system will also allow the filter to be installed above the flood plain elevation. Overall, this improvement will be useful in the treatment scheme in elevating effluent dissolved oxygen, improving chlorine contact time, and in attenuating the flow sent to downstream processes. When the clarifier experiences hydraulic overloading conditions, the equalization tank and tertiary filter will be able to capture any solids leaving the clarifier system.

The existing system uses chlorine gas to disinfect and sodium bisulfate gas to dechlorinate. The existing chemical feed systems will remain in service. However, the chlorine feed will enter the post-equalization tank, the effluent flow meter will be installed immediately upstream from the new filter, and dechlorination feed point will be relocated to feed the sulfur dioxide solution into the filter vessel, increasing the contact time for dechlorination chemical as well. Finally, the first phase of improvements will also include the addition of an aluminum sulfate feed system to be used to improve filter TSS removal performance (and can also help in meeting any future total phosphorus limits) if or when needed.

The second phase of improvements will include the addition of an equalization tank and an influent pumping system to minimize the peak flows sent to system. Between the first and second phases of construction, the reduction of infiltration and inflow will be targeted.

It is possible that a third phase of improvements to add a second stage clarifier may be required in the future. It is understood that the system area is growing rapidly.



3. Project Milestones

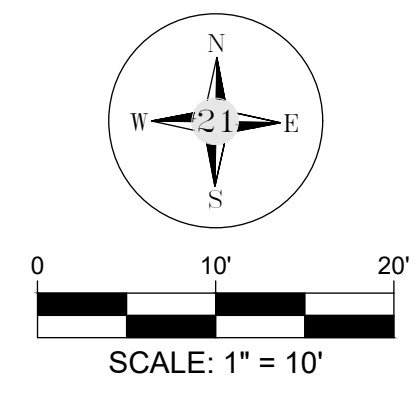
- a. Continue monitoring performance of facility (June 30, 2023)
- b. Submit construction permit application for major modifications (application submitted on February 28, 2022)
- c. Procure equipment (May 15, 2022)
- d. Receive Construction Permit (August 30, 2022)
- e. Complete construction (June 30, 2023)

Sincerely,

A handwritten signature in blue ink, appearing to read "L Chavez", is positioned below the word "Sincerely,".

**ENRIQUE CHAVEZ JR.**  
Utility Project Manager

(314) 380-8043  
(314) 437-5714  
(314) 736-4743  
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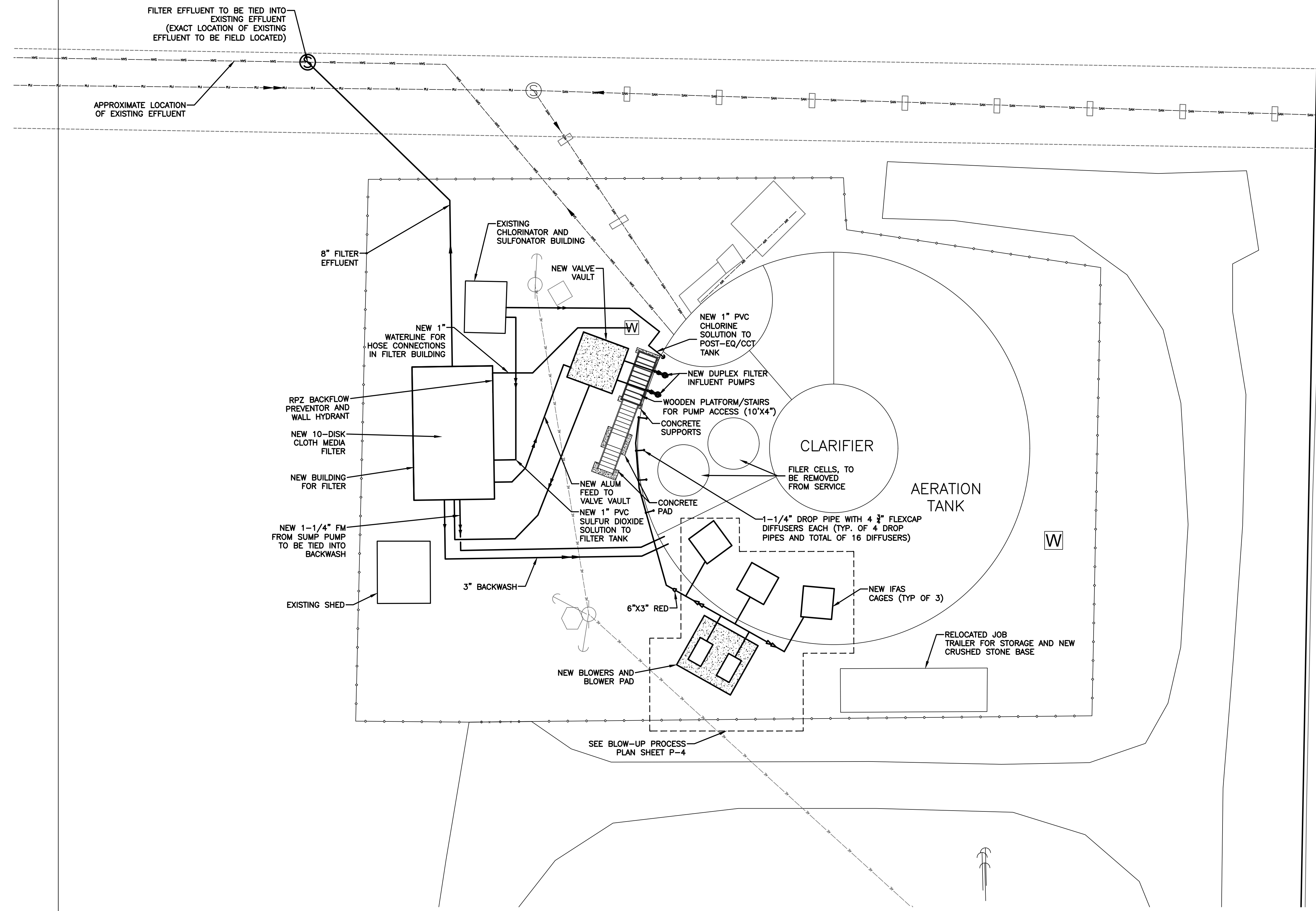


**DRAWING LEGEND**

DESCRIPTION	EXISTING	PROPOSED
Easement	---	---
Setbacks	---	---
Property Lines	---	---
Aerial Electric	---	---
Tree Line	---	---
Sanitary Manhole		
Utility Pole		
Fire Hydrant		
Telephone Box		
Water Valve		
Gas Valve		
Sign		
Grated Inlet		
Catch Basin		
Grated Curb Inlet		
Junction Box		
Flared End Section		

**PAVEMENT LEGEND**

Existing Asphalt	
Existing Concrete	
New Concrete	
New Standard Duty Asphalt	
New Heavy Duty Asphalt	
New Standard Duty Concrete	
New Heavy Duty Concrete	



NOTE:  
 1. SEE HYDRAULIC PROFILE FOR ALL ELEVATIONS.  
 2. SEE DRAWING P4 FOR ALL AIR PIPING DETAILS.

NO.	DATE	REVISION
1	2/23/2022	PERMIT SET

**DESIGN GROUP INC.**  
 21  
 1351 Jefferson, Suite 301  
 Washington, MO 63090  
 P: 636-432-5029  
 m08821@designgroup.net

**UTILITY PLAN**  
 DELAPLAIN WWTF IMPROVEMENTS  
 260 W YUSEN DRIVE  
 SCOTT COUNTY, KENTUCKY

ENGINEERING CERTIFICATE OF AUTHORITY NO. 4804  
 ENGINEERING LICENSE: BENJAMIN J. KUENZEL, PE33718

SEAL DATE	2/23/2022
DRAWN BY	KAR
PROJ NUMBER	542-19
DATE	2/23/2022
DRAWING NO	C05

### DESIGN CRITERIA:

**PLANT INFLUENT FLOW**

Q<sub>ADF</sub> = 240,000 GPD  
 Q<sub>PDF</sub> = 720,000 GPD  
 Q<sub>PHF</sub> = 1,200,000 GPD

BOD = 225 MG/L  
 TSS = 225 MG/L  
 TKN = 40 MG/L

**MBBR INFLUENT FLOW**

Q<sub>ADF</sub> = 240,000 GPD  
 Q<sub>PDF</sub> = 720,000 GPD  
 Q<sub>PHF</sub> = 1,200,000 GPD

**EFFLUENT PARAMETERS**

CBOD: 10 MG/L  
 TSS: 30 MG/L  
 DISSOLVED OXYGEN: 7 MG/L  
 E. COLI: 200 MPN/100 ML  
 NH<sub>3</sub>: 2 MG/L

**MBBR (CAGES)**

NO. OF MBBRS = 3  
 DIMENSIONS: 6'x6'x15'  
 TOTAL VOLUME = 12,118 GALLONS  
 INF. BOD = 225 MG/L, 675.9 LBS/D  
 EFF. BOD TARGET = 68 MG/L, 203 LBS/DAY  
 HRT @ ADF = 1.21 HRS  
 MEDIA SURFACE RQD. = 13,486 M<sup>2</sup>  
 MEDIA VOLUME RQD. (W/650 M<sup>2</sup>/M<sup>3</sup> MEDIA) = 733 CF  
 MEDIA FILL % = 51 %  
 SCFM RQD. = 310 SCFM

**ALUMINUM SULFATE FEED PROCESS**

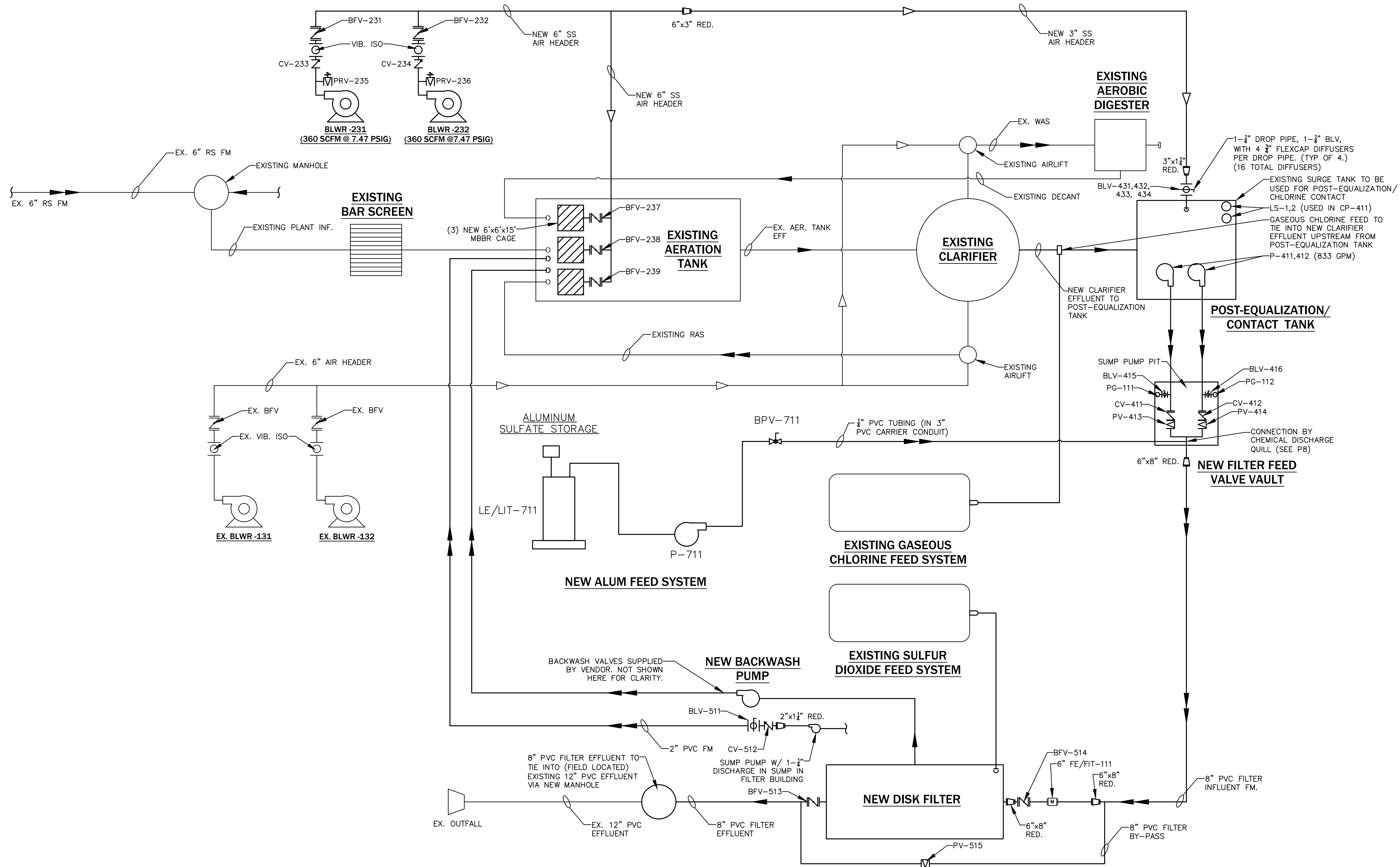
DOSAGE: 50 MG/L  
 DENSITY: 11.14 LB/GAL  
 AVERAGE FEED PUMPING RATE: 18.3 GPD  
 MAXIMUM FEED PUMPING RATE: 27.5 GPD

**POST-EQUALIZATION PUMPS**

P-411,412:  
 MODEL: ZOELLER 841 GRINDER PUMP  
 TDH: 23'  
 GPM: 833 GPM

**CCT/POST-AERATION \***

VOLUME: 25,000 GAL.  
 HRT @ PHF (EQUALIZED): 30 MIN  
 THE TANK WILL HAVE 15 3" FLEXCAP DIFFUSERS TO ACHIEVE COMPLETE MIXING TO PROVIDE EFFECTIVE CONTACT TIME FOR DISINFECTION  
 AIR FLOW RATE: 15 SCFM/1,000 CF SCFM PROVIDED: 50 SCFM



DATE	2/23/2022
BY	KAR
REVISION	PERMIT SET

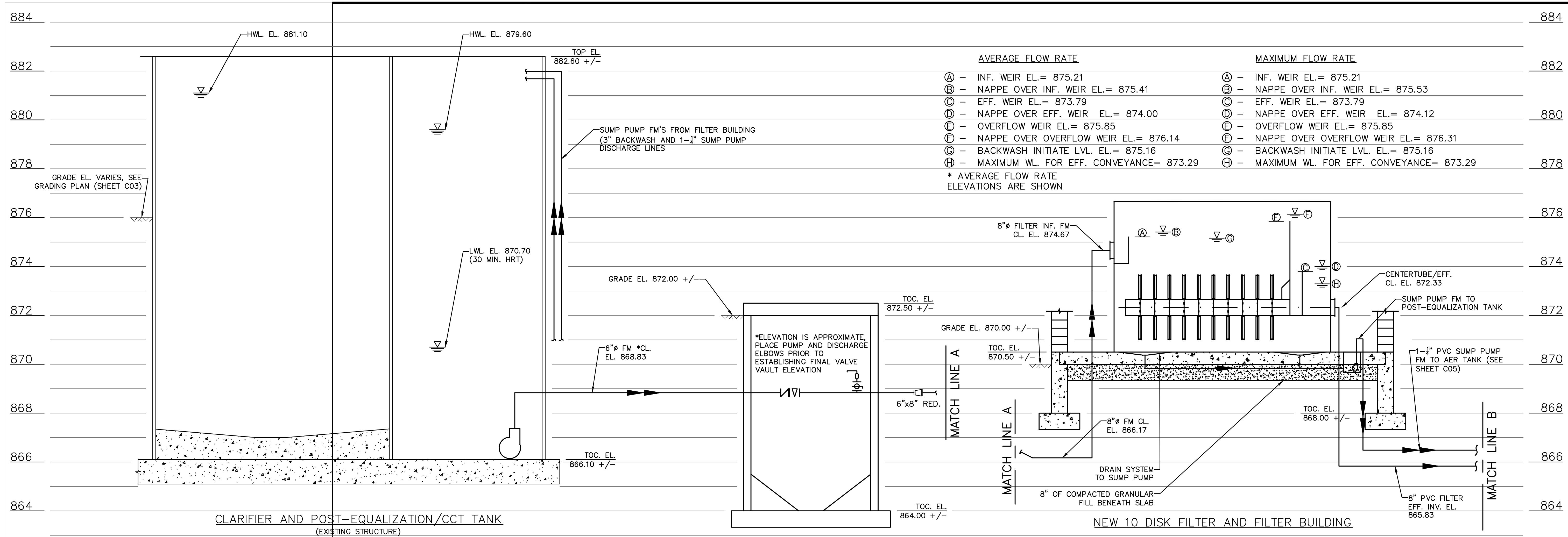
**DESIGN GROUP INC.**  
 21  
 1351 Jeffersonville, Suite 301  
 Washington, MO 63090  
 P: 636-435-5029  
 email: 21designgroup.net

**PROCESS FLOW DIAGRAM**  
 DELAPLAIN DISPOSAL WWTF  
 W YUSEN DRIVE  
 SCOTT, KENTUCKY

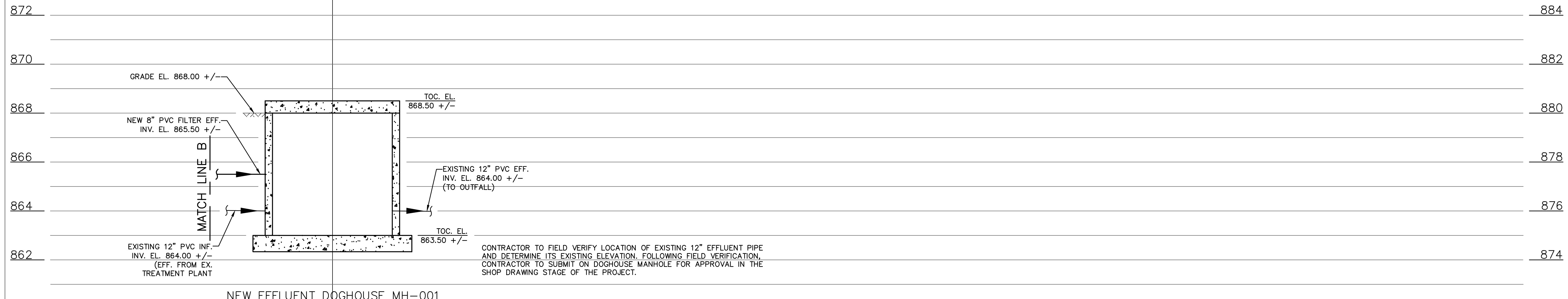
ENGINEERING CERTIFICATE OF AUTHORITY NO. 4804  
 ENGINEERING LICENSE: BENJAMIN J. KUENZEL, PE33718



SEAL DATE	2/23/2022
DRAWN BY	KAR
PROJ NUMBER	542-21
DATE	2/23/2022
DRAWING NO	P1



**WASTEWATER HYDRAULIC PROFILE**  
 VERTICAL SCALE: 1" = 2'-0" HORIZONTAL SCALE: NONE



REV.	DATE	DESCRIPTION
1	2/23/2022	PERMIT SET

**DESIGN GROUP INC.**  
 1351 Jefferson, Suite 301  
 Washington, MO 63090  
 P: 636.432-5029  
 mobile@21designgroup.net

**HYDRAULIC PROFILE**  
 DELAPLAIN DISPOSAL WWTF  
 W YUSEN DRIVE  
 SCOTT, KENTUCKY

ENGINEERING CERTIFICATE OF AUTHORITY NO. 4804  
 ENGINEERING LICENSE: BENJAMIN J. KUENZEL, PE33718



SEAL DATE: 2/23/2022  
 DRAWN BY: MTM  
 PROJ NUMBER: 0542-19  
 DATE: 2/23/2022  
 DRAWING NO: P2



May 20, 2022

Nicholas Fields  
Kentucky Department of Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3<sup>rd</sup> Floor  
Frankfort, KY 40601

RE: Bluegrass Water Utility Operating Company, LLC  
Delaplain Disposal WWTP  
KYPDES Permit No. KY0079049  
Agency No. 3901

On behalf of Bluegrass Water Utility Operating Company, Inc., we are submitting this letter per the EEC's requirement consistent with the current CAO plan that was approved on October 27, 2021. We are continuing to work to meet effluent compliance for this facility.

BWUOC is currently waiting for CPCN approval for construction and KDOW has not approve our construction permit for this facility. KDOW requested additional information, with regards to the construction plan submitted by 21 Design Group. The assigned engineering firm responded to all questions presented by KDOW and feedback for scope of work continues to be on-hold.

Construction equipment has been ordered. Construction materials have started to arrive, and improvements will begin as soon as construction permit approval is confirmed by Div. of Water. However, some of the main equipment materials have been delayed on delivery due to shortages and/or limited production. Some of the construction can be started but we are working closely with the manufacturers to ensure all goods and materials are available once approval is confirmed.

Please let us know if this letter does not meet the status report requirements of achieving system compliance.

Sincerely,

**Enrique Chavez Jr.**  
Utility Project Manager  
Email: [echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
Office: (314) 380-8043  
Mobile: (314) 437-5714



@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com

ANDY BESHEAR  
GOVERNOR



REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601  
TELEPHONE: 502-564-2150  
TELEFAX: 502-564-4245

September 28, 2022

Jacob Freeman  
1650 Des Peres Rd Ste 303  
Saint Louis, MO 63131

Re: Delaplain WWTF Improvements  
Scott County, Kentucky  
Delaplain Disposal  
Activity ID: 3901, APE20220001  
Receiving Treatment Plant KPDES #: KY0079049

Dear Mr. Freeman:

We have reviewed the plans and specifications for the above referenced project. The plan improvements at the WWTP include 3 IFAS Cages (6'x6'x15') with blowers, a building with a 10-Disk Cloth Filter and backwash pump, Alum Feed System, and a Filter Feed Vault. This is to advise that plans and specifications for the above referenced project are APPROVED with respect to sanitary features of design, as of this date with the requirements contained in the attached construction permit.

If we can be of any further assistance or should you wish to discuss this correspondence, please do not hesitate to contact Michael Snyder at 502-782-1235.

Sincerely,

Terry Humphries, P.E.  
Supervisor, Engineering Section  
Water Infrastructure Branch  
Division of Water

TH / MS  
Enclosures

c: Scott County Health Department  
21 Design Group  
Division of Plumbing

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0028

IN RE: Delaplain Disposal Company  
Delaplain Disposal WWTP  
249 West Yusen Drive.  
Georgetown, KY 40324  
AI No. 3901  
Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter “Cabinet”) and Bluegrass Water Utility Operating Company, LLC (hereinafter “BWUOC”) state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Delaplain Disposal Wastewater Treatment Plant (hereinafter “Delaplain,” “Delaplain WWTP” or “facility”), is located at 249 West Yusen Drive, Georgetown, Kentucky 40324. The facility has a design capacity of 0.24 million gallons per day and discharges to an unnamed tributary of Dry Run.
4. Delaplain WWTP is currently owned and operated by Delaplain Disposal Company. The facility’s discharges are permitted under Kentucky Pollutant Discharge Elimination



Systems (hereinafter “KPDES”) permit number KY0079049, issued by the Cabinet’s Division of Water (hereinafter “DOW”). The facility’s KPDES permit expires on January 31, 2026.

5. Delaplain Disposal Company is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Delaplain WWTP, provided it receives from the Kentucky Public Service Commission (“Commission”) all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Delaplain WWTP on or around March 1, 2021.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Delaplain WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 26, 2021.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Delaplain WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Delaplain WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a “Change in Ownership Certification” to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Within thirty (30) days of execution of this Agreed Order, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter “CAP”) to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Delaplain WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

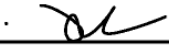
#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes

all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

**CASE NO. DOW 21-3-0028**

**AGREED TO BY:**

  
\_\_\_\_\_  
Josiah Cox (Aug 10, 2021 11:18 CDT)  
\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

Aug 10, 2021  
Date

**CASE NO. DOW 21-3-0028**

**APPROVAL RECOMMENDED BY:**

\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

\_\_\_\_\_  
Date

\_\_\_\_\_  
Elizabeth U. Natter, Executive Director  
Office of General Counsel

\_\_\_\_\_  
Date



**CASE NO. DOW 21-3-0028**

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this \_\_\_ day of \_\_\_\_\_, 2021.

ENERGY AND ENVIRONMENT CABINET

---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman,  
Secretary Energy & Environment Cabinet

**CASE NO. DOW 21-3-0028**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

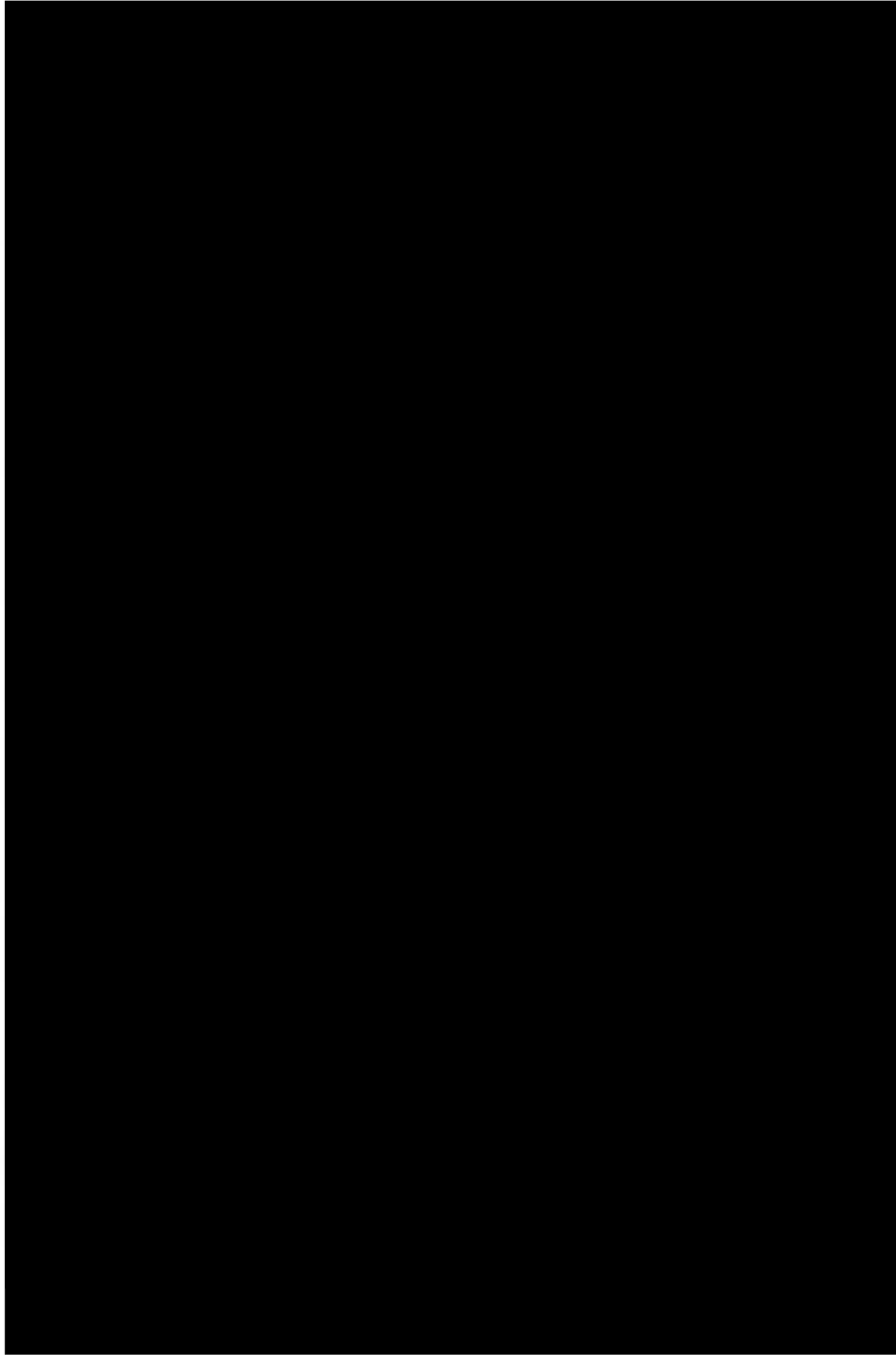
And mailed, messenger to:

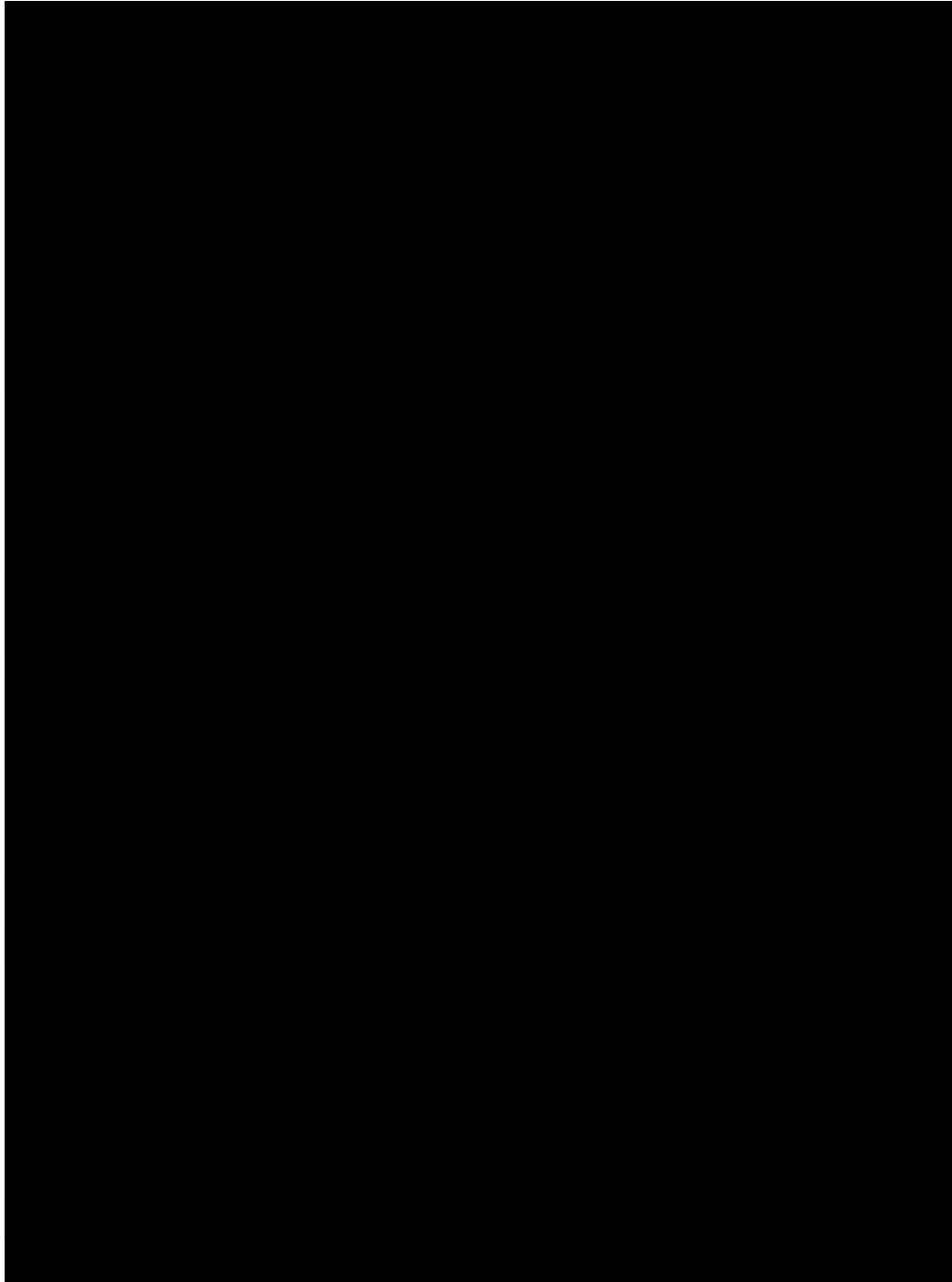
Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

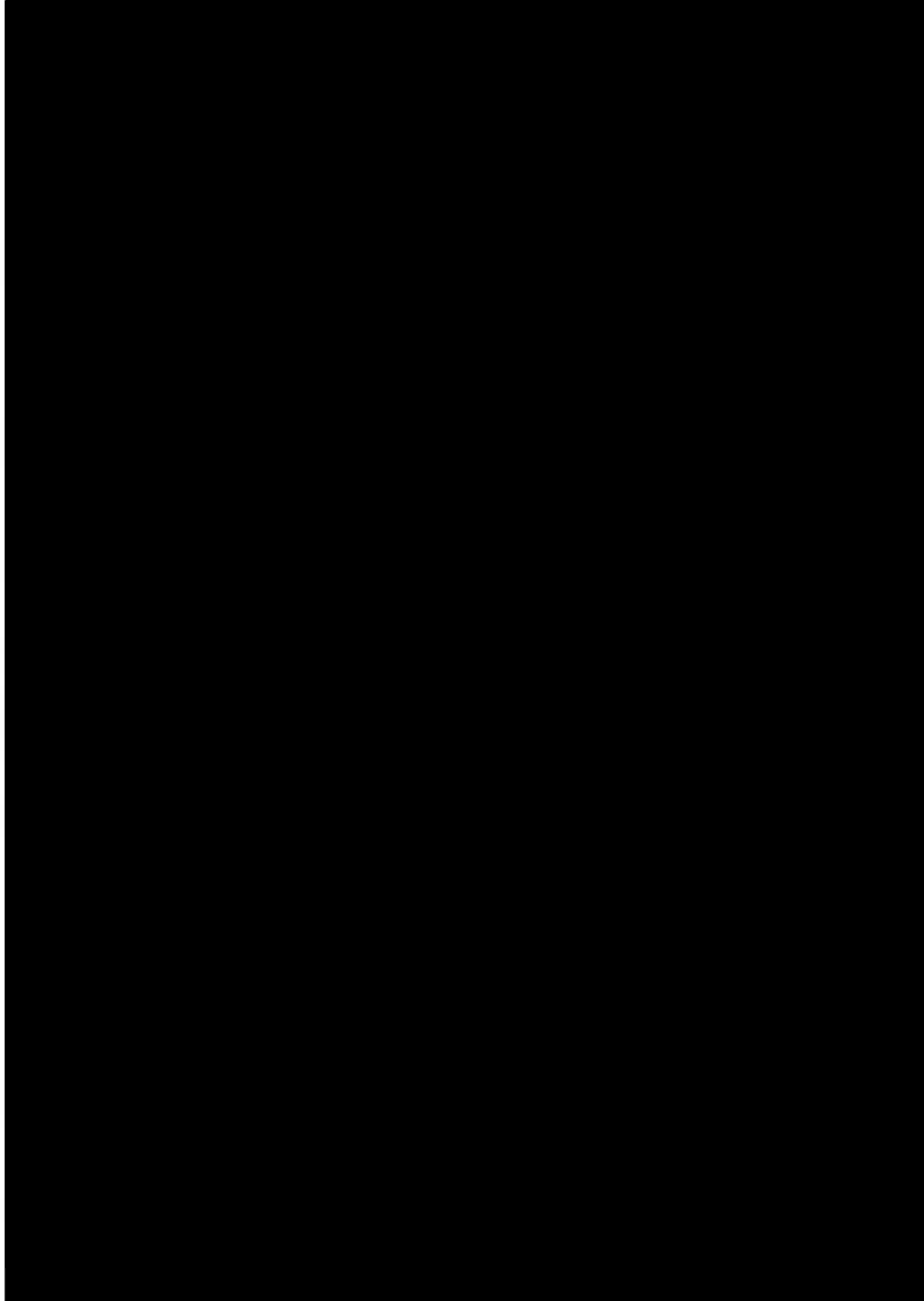
Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

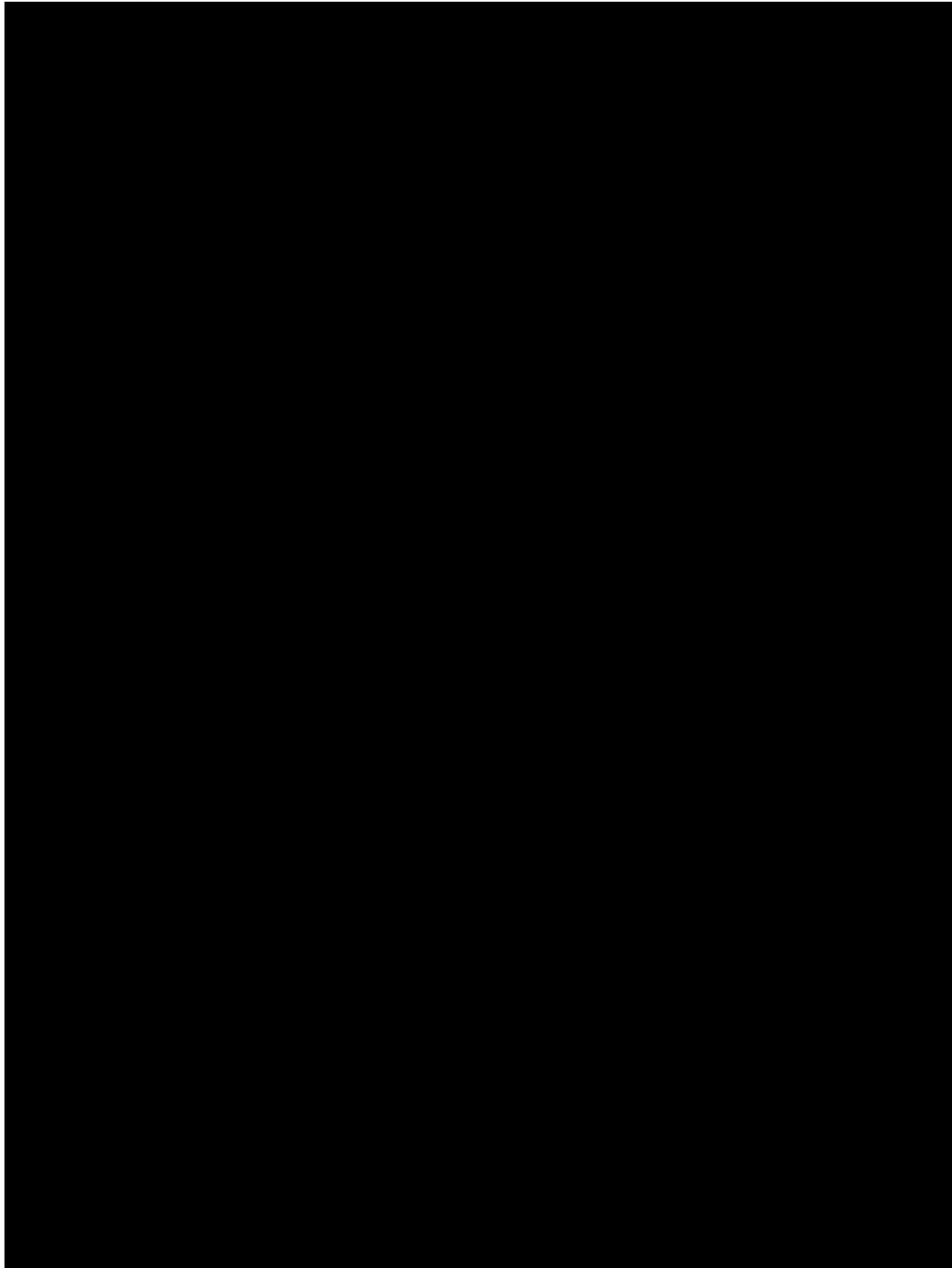
\_\_\_\_\_  
DOCKET COORDINATOR

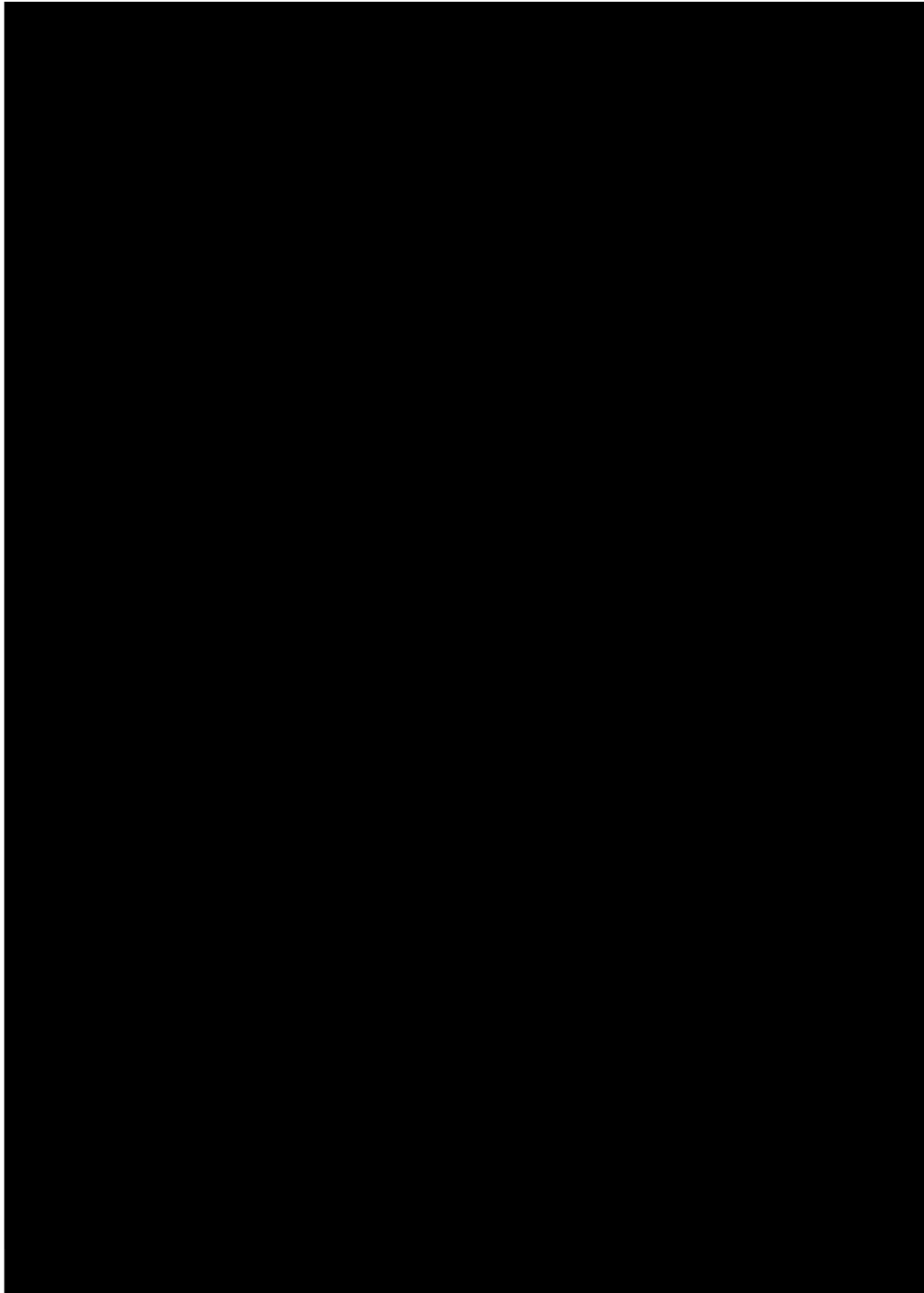
# Exhibit A



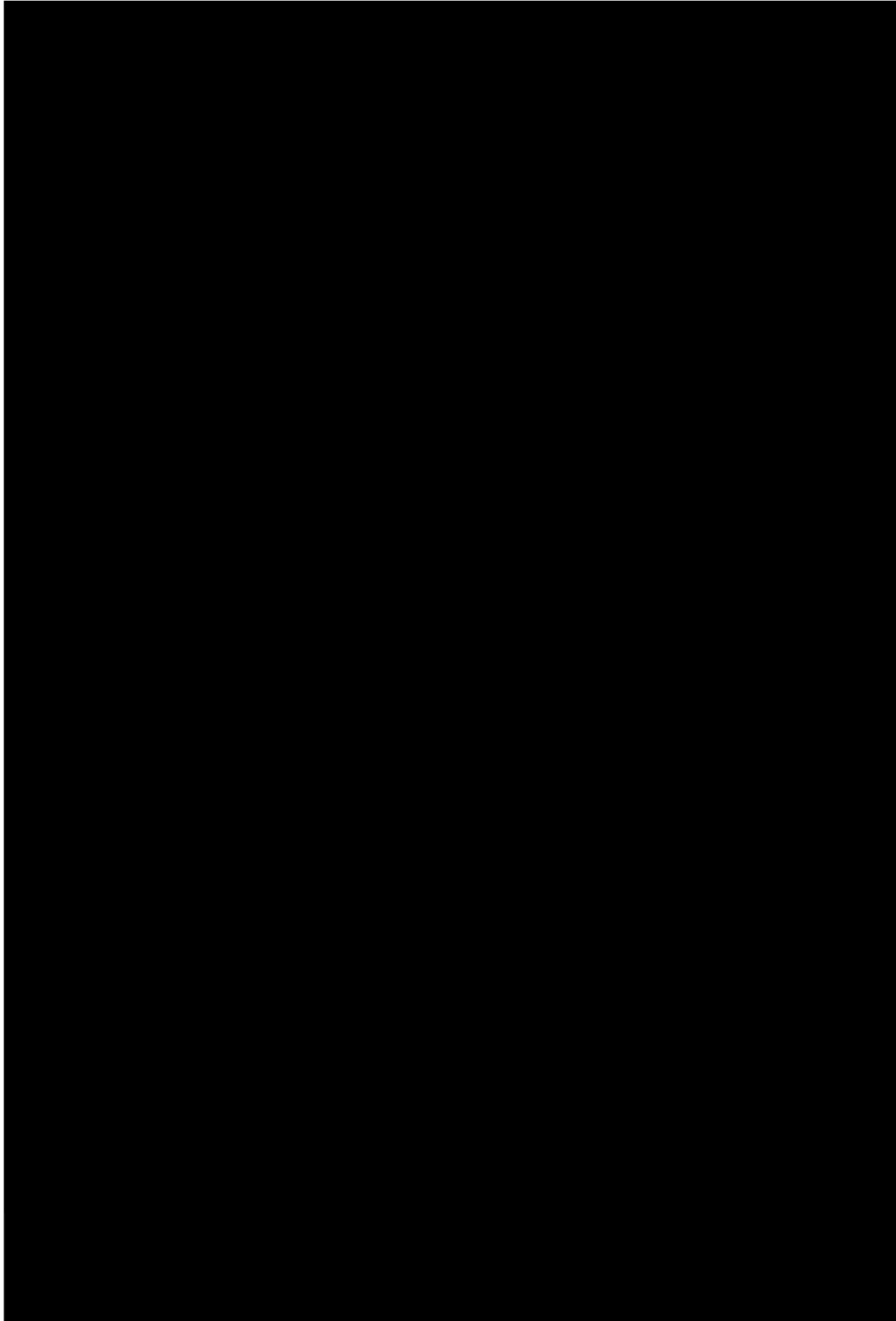


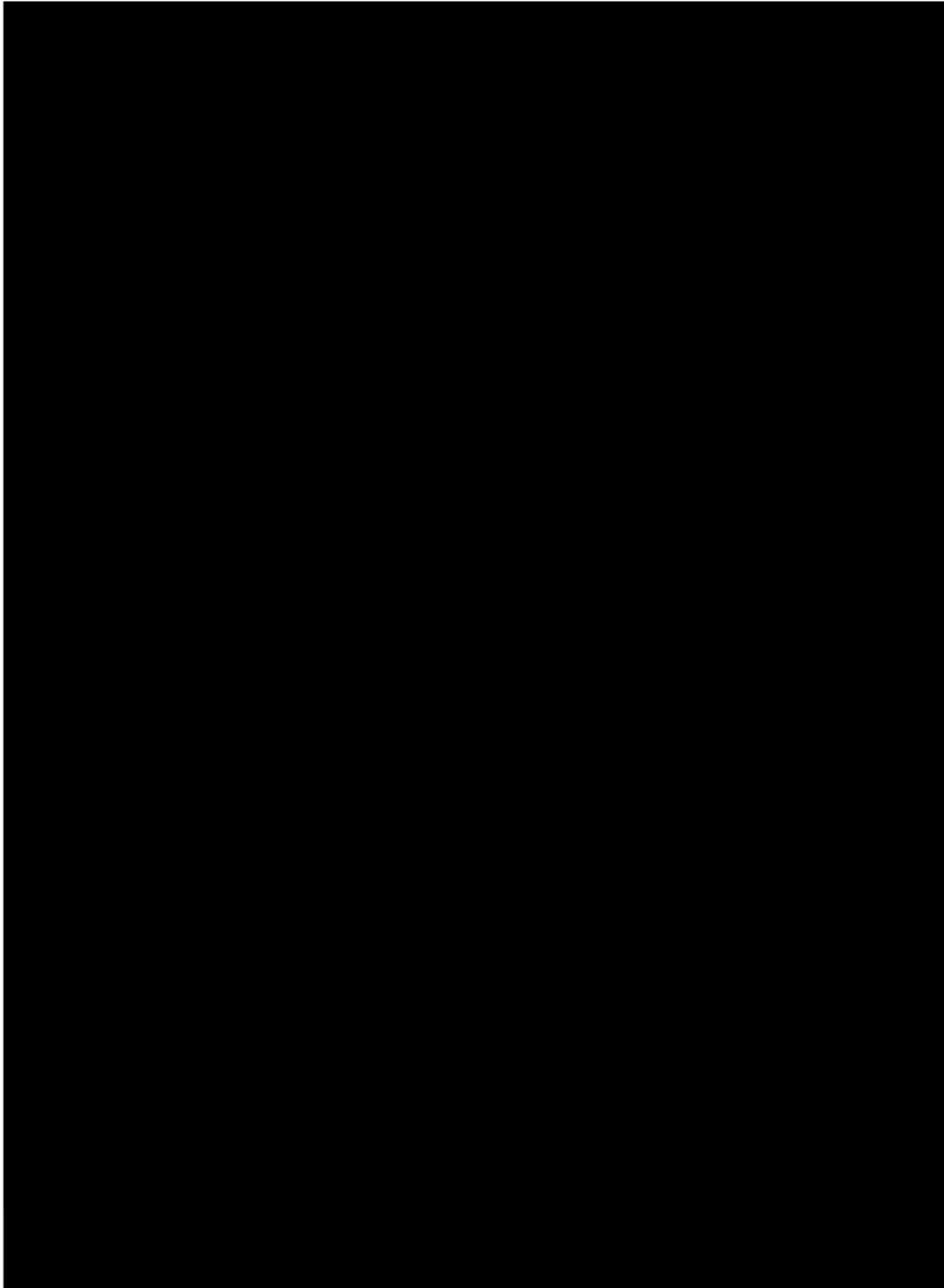


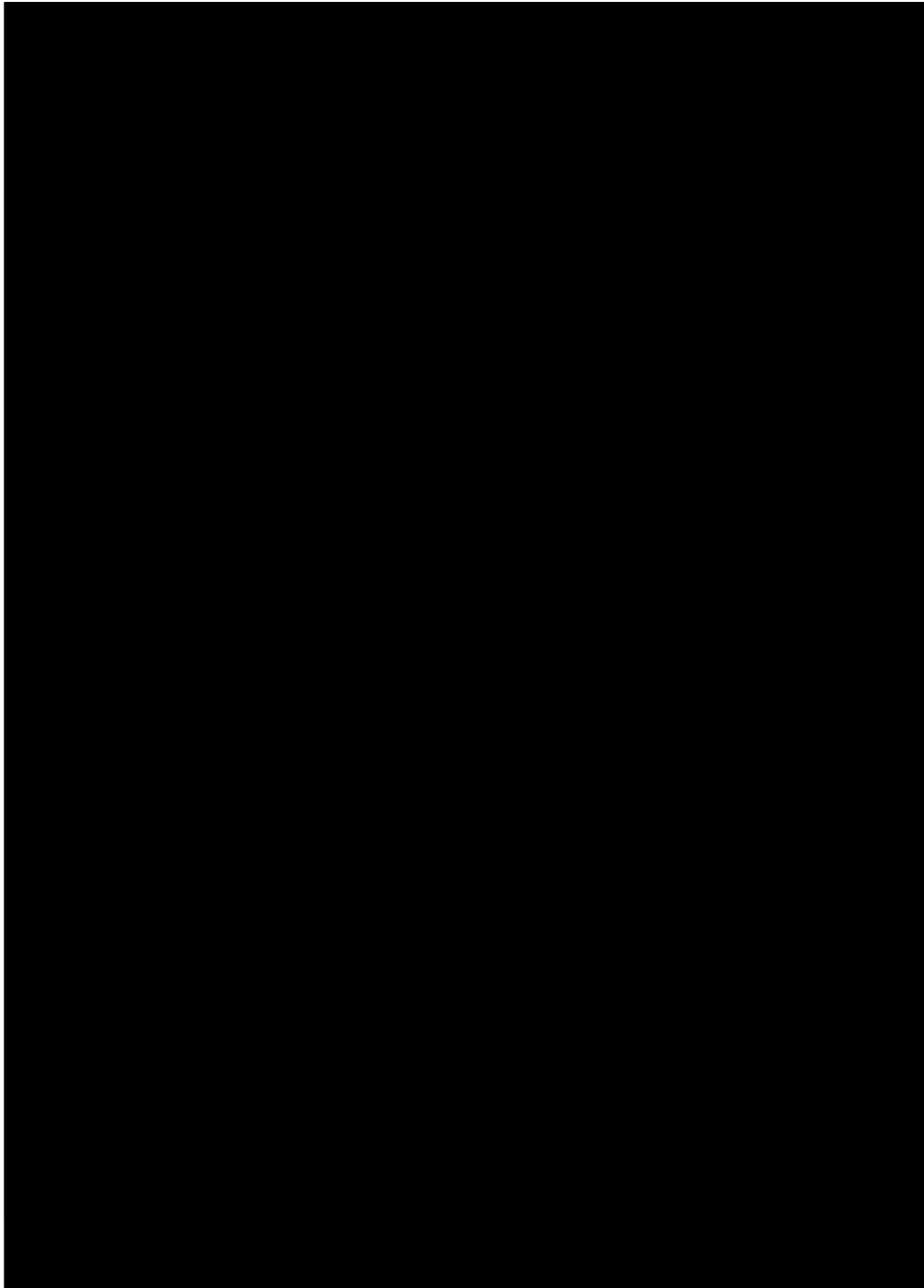












# DOW 21-3-0028 - Delaplain Disposal Company AO

Final Audit Report

2021-08-10

Created:	2021-08-09
By:	Mandy Keubler (mkeubler@cswrgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAGjmcUz75rg0q87iMyBXrQysNU0ZpewV3

## "DOW 21-3-0028 - Delaplain Disposal Company AO" History

Document created by Mandy Keubler (mkeubler@cswrgroup.com)

2021-08-09 - 9:20:50 PM GMT- IP address: 71.10.211.134

Document emailed to Josiah Cox (jcox@cswrgroup.com) for signature

2021-08-09 - 9:21:27 PM GMT

Email viewed by Josiah Cox (jcox@cswrgroup.com)

2021-08-10 - 4:18:35 PM GMT- IP address: 12.127.143.250

Document e-signed by Josiah Cox (jcox@cswrgroup.com)

Signature Date: 2021-08-10 - 4:18:47 PM GMT - Time Source: server- IP address: 12.127.143.250

Agreement completed.

2021-08-10 - 4:18:47 PM GMT



Filed 9/24/2021 OAH

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0029

IN RE: Herrington Haven Wastewater Co., Inc.  
Herrington Haven WWTP  
Herrington Haven Subdivision  
Lancaster, KY 40444  
AI No. 1469  
Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Herrington Haven Wastewater Treatment Plant (hereinafter "Herrington," "Herrington Haven WWTP" or "facility"), is located at Herrington Haven Subdivision, Lancaster, Kentucky 40444. The facility has a design capacity of 0.0098 million gallons per day and discharges to Herrington Lake.
4. Herrington Haven WWTP is currently owned and operated by Herrington Haven Wastewater Co., Inc. The facility's discharges are permitted under Kentucky Pollutant Discharge

Elimination Systems (hereinafter "KPDES") permit number KY0053431, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on July 31, 2023.

5. Herrington Haven Wastewater Co., Inc is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Herrington Haven WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Herrington Haven WWTP on or around March 1, 2021.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Herrington Haven WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 26, 2021.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Herrington Haven WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Herrington Haven WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall

provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065 Section 2(1).

12. Within thirty (30) days of execution of this Agreed Order, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.

B. BWUOC may request an amendment of the accepted CAP by writing the

Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Herrington Haven WWTP.



17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.


#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements

described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 21-3-0029

**AGREED TO BY:**

  
\_\_\_\_\_  
Josiah Cox (Aug 10, 2021 11:19 CDT)  
\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

Aug 10, 2021  
Date

CASE NO. DOW 21-3-0029

APPROVAL RECOMMENDED BY:



Michael B. Kroeger, Director(Assistant)  
Division of Enforcement

9/9/2021

Date

*Elizabeth U. Natter*

Elizabeth U. Natter, Executive Director  
Office of General Counsel

9/23/2021

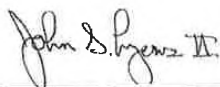
Date

**CASE NO. DOW 21-3-0029**

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 24th day of September, 2021.

ENERGY AND ENVIRONMENT CABINET



---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman,  
Secretary Energy & Environment Cabinet

CASE NO. DOW 21-3-0029

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 24th day of September, 2021.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed, messenger to:~~ Electronically mailed to:

Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

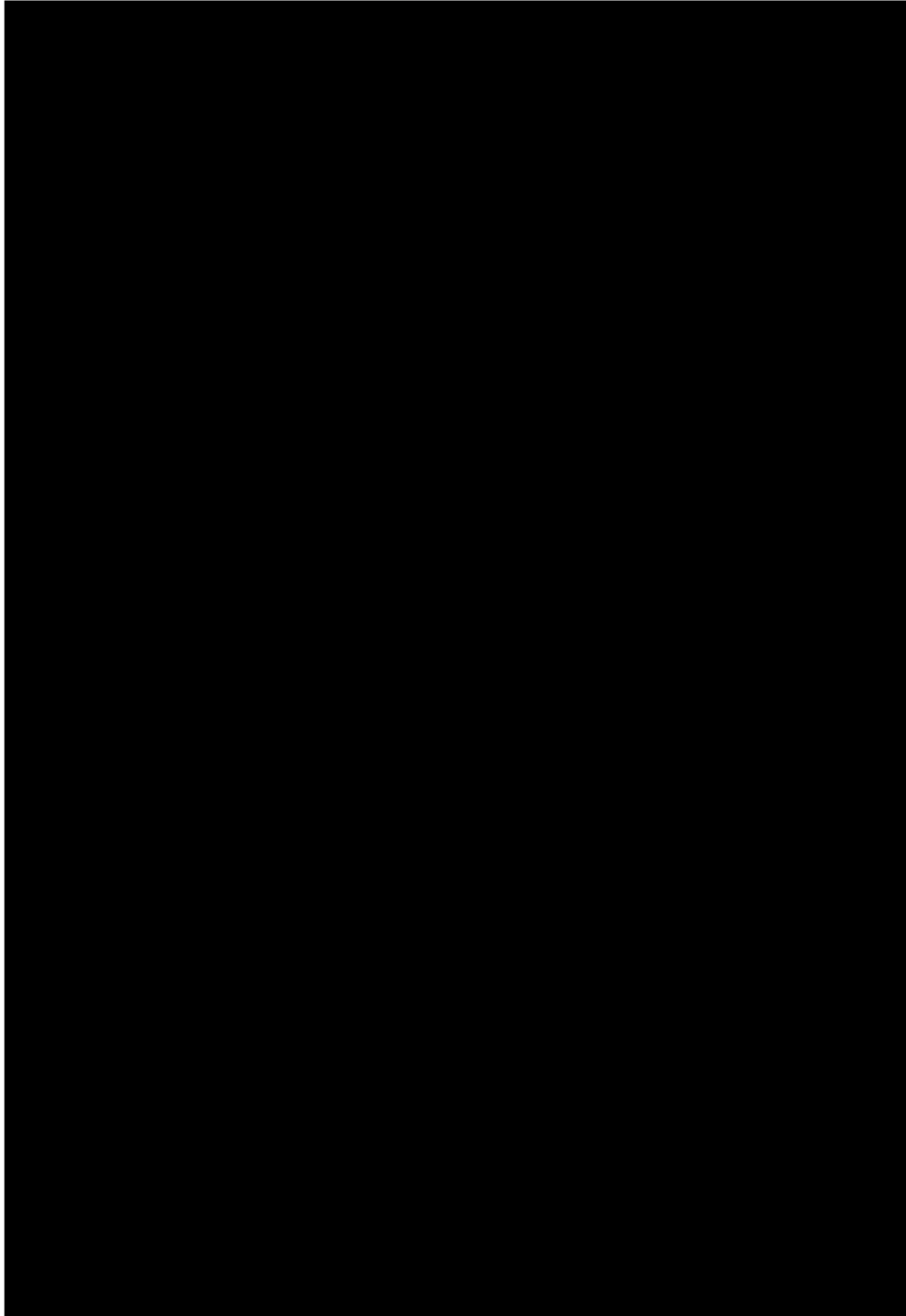
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Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

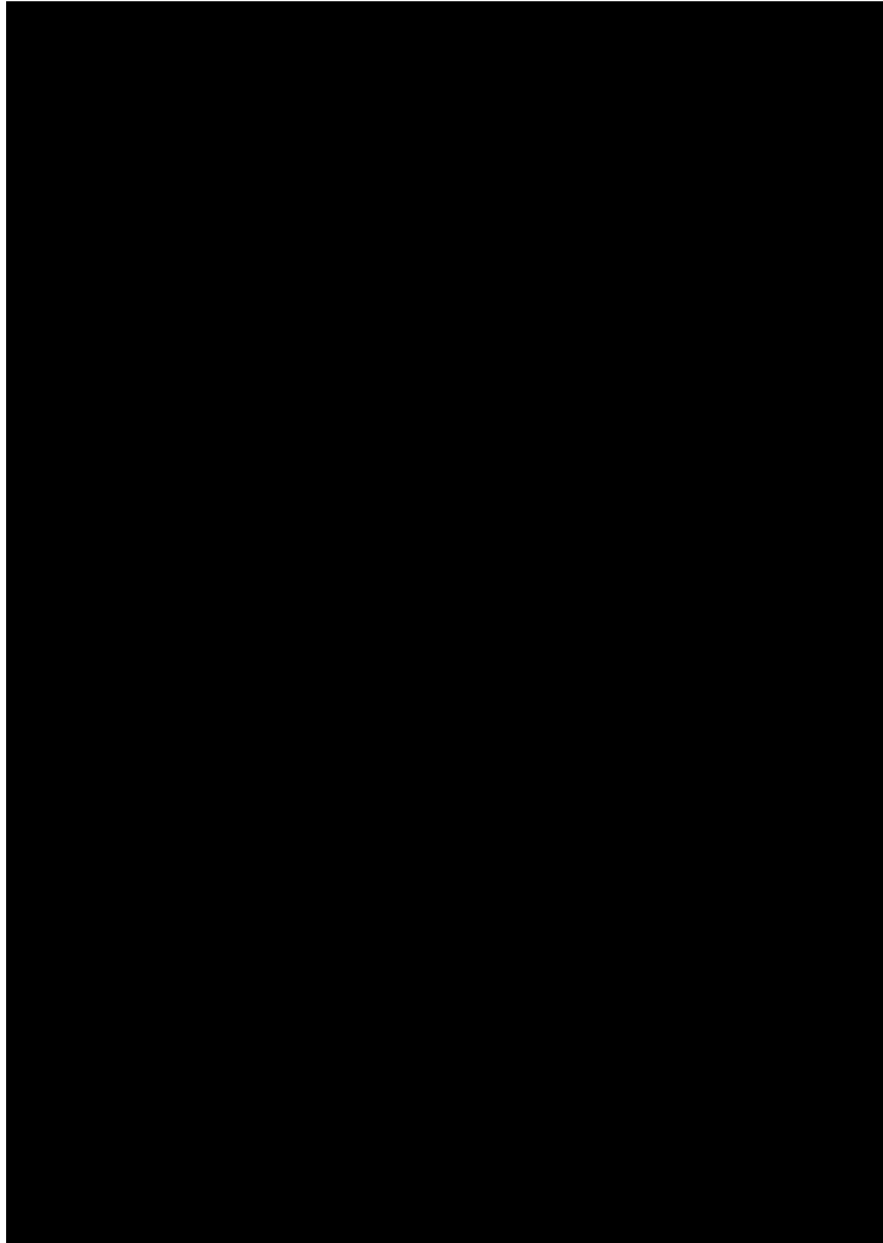
  
\_\_\_\_\_  
DOCKET COORDINATOR

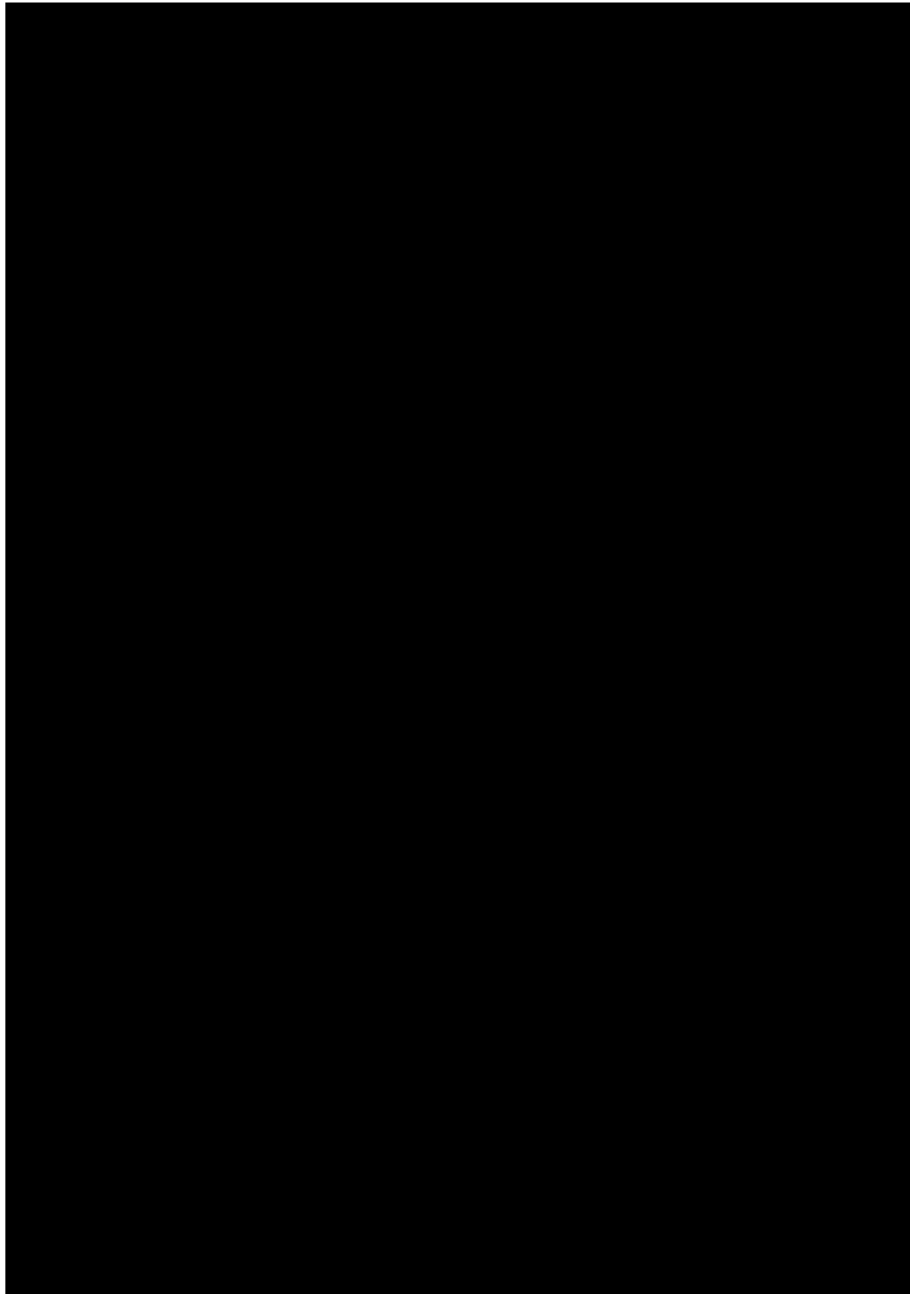
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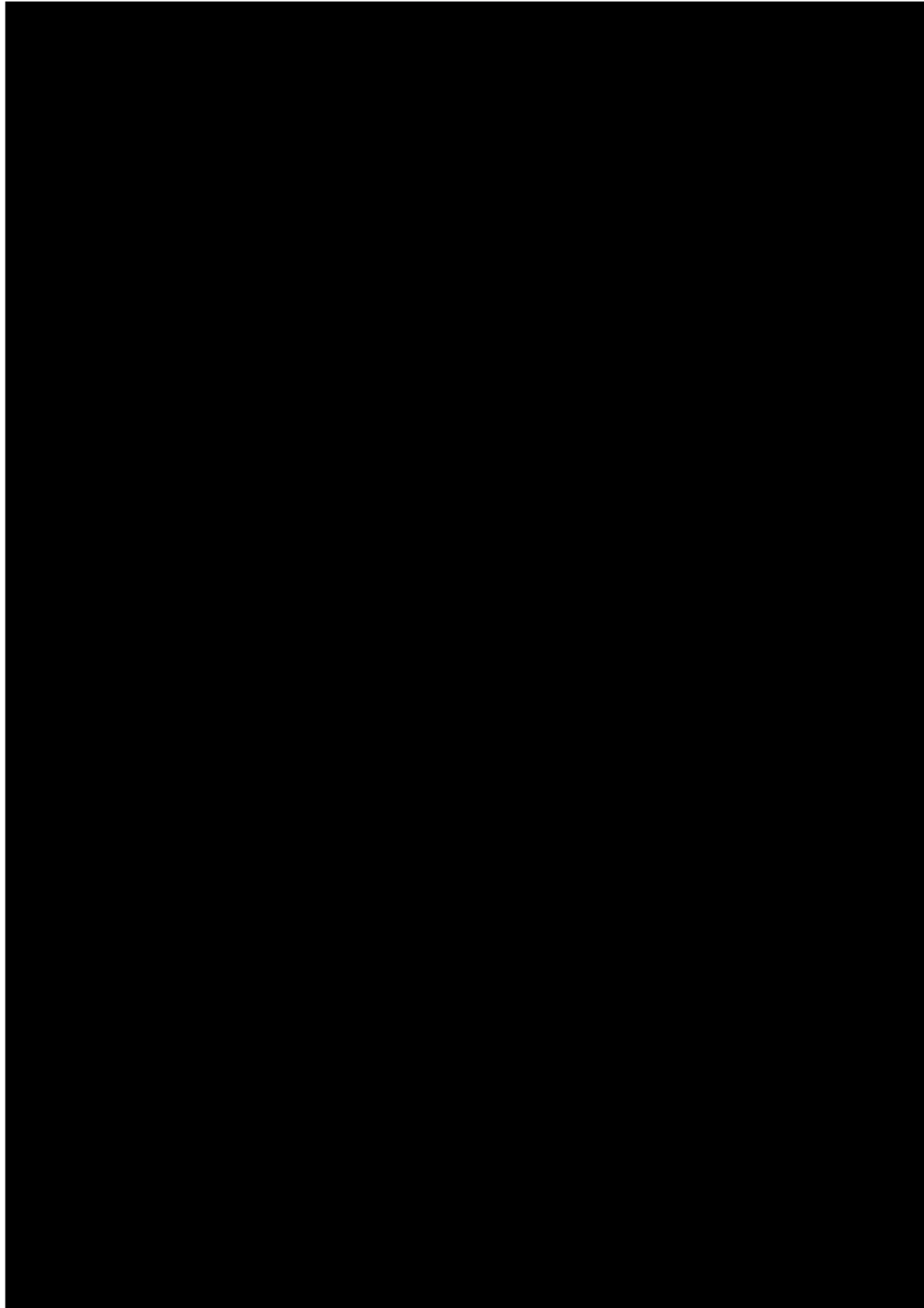
# Exhibit A

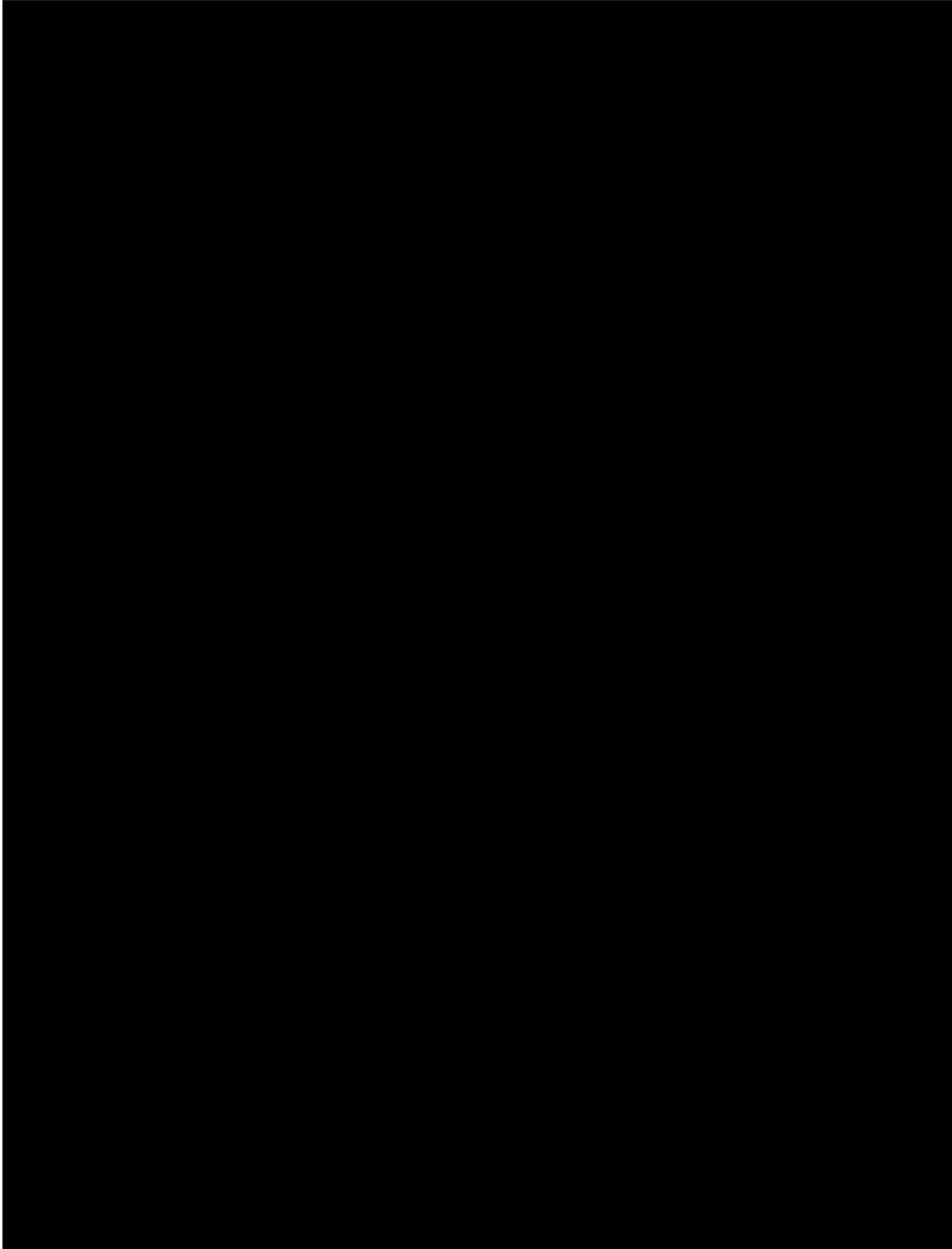


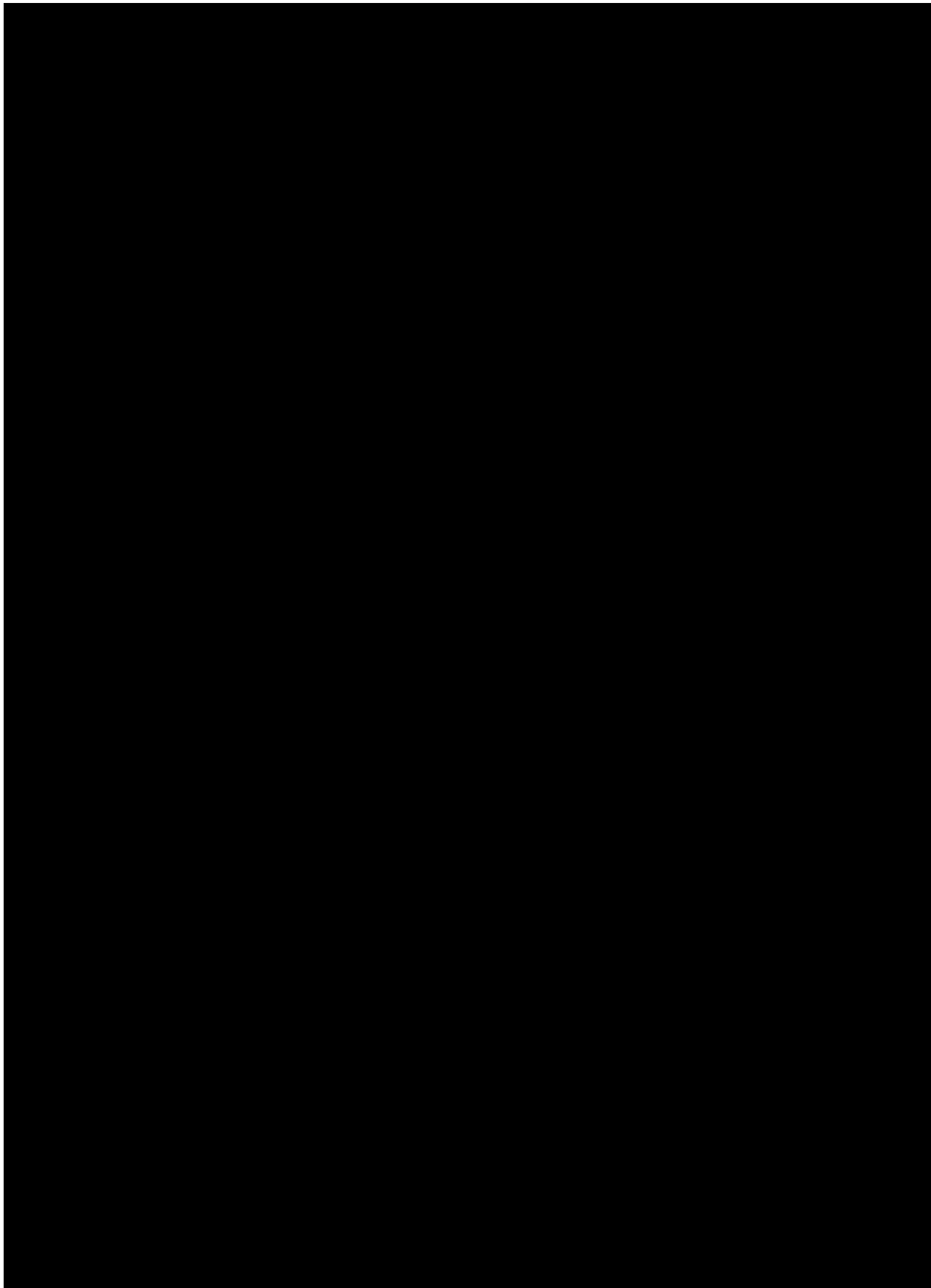












# DOW 21-3-0029 - Herrington Haven AO

Final Audit Report

2021-08-10

Created:	2021-08-09
By:	Mandy Keubler (mkeubler@cswrgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAOzzyrUHHarwhHwlfYmEsuuVOZm2QjBn

## "DOW 21-3-0029 - Herrington Haven AO" History

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-  Document emailed to Josiah Cox (jcox@cswrgroup.com) for signature  
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-  Email viewed by Josiah Cox (jcox@cswrgroup.com)  
 2021-08-10 - 4:18:54 PM GMT- IP address: 12.127.143.250
-  Document e-signed by Josiah Cox (jcox@cswrgroup.com)  
 Signature Date: 2021-08-10 - 4:19:08 PM GMT - Time Source: server- IP address: 12.127.143.250
-  Agreement completed.  
 2021-08-10 - 4:19:08 PM GMT





October 21, 2021

Nicholas Fields  
 Kentucky Department of Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3<sup>rd</sup> Floor  
 Frankfort, KY 40601

Bluegrass Water Utility Operating Company, LLC  
 Herrington Haven WWTP  
 KYPDES Permit No. KY0053431  
 Agency No. 1469

### Corrective Action Plan

In light of the Herrington WWTP's failure to meet permitted limits, Bluegrass Water submits the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by the previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of Effluent Violations

- Ammonia
- Total Suspended Solids (TSS)
- Carbonaceous Biological Oxygen Demand (CBOD)
- E. Coli

A review was performed of EPA's Echo compliance website which lists violations. The Herrington Haven WWTF has been in "Significant noncompliance" for all of the last 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility. The package plant portion of the facility has not been maintained by the previous ownership and is severely rusted and structurally unsound. Several electrical safety concerns exist, the return activated sludge piping has fallen in the basin, and other piping within the plant is constructed of PVC which can degrade in sunlight. The raw sewage pumps and the blowers are reaching the end of their useful lives and are not likely producing the pumping rate or air supply rate they were designed to produce.

The facility has aged and the existing blowers are in need of replacement. The system receives close to the average daily flow capacity of the facility at this time, and it receives more peak flow than the clarifier is designed to handle when used purely as an activated sludge system. The facility does not include aerobic digestion or sludge storage, so operationally it's difficult to maintain desired range of biomass in the aeration tanks.

The existing system does not have effective means of chlorine addition at this time. The flow meter does not function properly, and the existing contact tank is installed off of the property and in a flood zone.





## 2. System Evaluation and Corrective Actions

The improvements will include the addition of a moving bed biological reactor (cage with diffusers and media), the addition of an aerobic digester, the addition of a residential grinder pump station (to convey waste activated sludge to the new digester), the addition of a new peroxyacetic acid storage and feed system, the addition of a Mission monitoring system, and the relocation of the effluent V-notch weir and post-aeration basin onto the Owner's property.

The improvements will allow the mixed liquor to be operated at a lower concentration range to avoid loss of solids during wet weather, and the improvements will allow the operators to maintain mixed liquor in the desired range by adding sludge storage / aerobic digestion facilities. The improvements will also allow the disinfection system to meet effluent objectives without violating total residual chlorine limits. In addition, the Mission monitoring system and properly installed flow meter will allow operations to continuously monitor flows and alarm conditions.

## 3. Project Milestones

- a. Continue monitoring performance of facility (June 30, 2023)
- b. Submit construction permit application for major modifications (January 15, 2022)
- c. Procure equipment (May 15, 2022)
- d. Receive construction permit (August 30, 2022)
- e. Complete construction (June 30, 2023)

Sincerely,



**ENRIQUE CHAVEZ JR.**  
Utility Project Manager

(314) 380-8043  
(314) 437-5714  
(314) 736-4743  
[echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
1650 Des Peres Rd., Suite 303  
Des Peres, MO 63131  
[centralstateswaterresources.com](http://centralstateswaterresources.com)



May 20, 2022

Nicholas Fields  
Kentucky Department of Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3<sup>rd</sup> Floor  
Frankfort, KY 40601

RE: Bluegrass Water Utility Operating Company, LLC  
Herrington Haven WWTP  
KYPDES Permit No. KY0053431  
Agency No. 1469

On behalf of Bluegrass Water Utility Operating Company, Inc., we are submitting this letter per the EEC's requirement consistent with the current CAO plan that was approved on October 24, 2021. We are continuing to work to meet effluent compliance for this facility.

BWUOC is currently waiting for CPCN approval for construction and KDOW has not approve our construction permit for this facility. KDOW requested additional information, with regards to the construction plan submitted by 21 Design Group. The assigned engineering firm responded to all questions presented by KDOW and feedback for scope of work continues to be on-hold.

Construction equipment has been ordered. Construction materials have started to arrive, and improvements will begin as soon as construction permit approval is confirmed by Div. of Water. However, some of the main equipment materials have been delayed on delivery due to shortages and/or limited production. Some of the construction can be started but we are working closely with the manufacturers to ensure all goods and materials are available once approval is confirmed.

Please let us know if this letter does not meet the status report requirements of achieving system compliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Enrique Chavez Jr.", is written over a light blue circular stamp.

**Enrique Chavez Jr.**  
Utility Project Manager  
Email: [echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
Office: (314) 380-8043  
Mobile: (314) 437-5714



@ [bluegrasswateruoc.com](http://bluegrasswateruoc.com)

1-866-752-8982

[support@bluegrasswateruoc.com](mailto:support@bluegrasswateruoc.com)

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0029

IN RE: Herrington Haven Wastewater Co., Inc.  
Herrington Haven WWTP  
Herrington Haven Subdivision  
Lancaster, KY 40444  
AI No. 1469  
Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter “Cabinet”) and Bluegrass Water Utility Operating Company, LLC (hereinafter “BWUOC”) state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Herrington Haven Wastewater Treatment Plant (hereinafter “Herrington,” “Herrington Haven WWTP” or “facility”), is located at Herrington Haven Subdivision, Lancaster, Kentucky 40444. The facility has a design capacity of 0.0098 million gallons per day and discharges to Herrington Lake.
4. Herrington Haven WWTP is currently owned and operated by Herrington Haven Wastewater Co., Inc. The facility’s discharges are permitted under Kentucky Pollutant Discharge

Elimination Systems (hereinafter “KPDES”) permit number KY0053431, issued by the Cabinet’s Division of Water (hereinafter “DOW”). The facility’s KPDES permit expires on July 31, 2023.

5. Herrington Haven Wastewater Co., Inc is an active for-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Herrington Haven WWTP, provided it receives from the Kentucky Public Service Commission (“Commission”) all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Herrington Haven WWTP on or around March 1, 2021.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Herrington Haven WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 26, 2021.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Herrington Haven WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Herrington Haven WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a “Change in Ownership Certification” to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall

provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065 Section 2(1).

12. Within thirty (30) days of execution of this Agreed Order, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the

Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Herrington Haven WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

#### **TERMINATION**

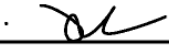
26. This Agreed Order shall terminate upon BWUOC's completion of all requirements



described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

**CASE NO. DOW 21-3-0029**

**AGREED TO BY:**

  
\_\_\_\_\_  
Josiah Cox (Aug 10, 2021 11:19 CDT)  
\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

Aug 10, 2021  
Date

**CASE NO. DOW 21-3-0029**

**APPROVAL RECOMMENDED BY:**

\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

\_\_\_\_\_  
Date

\_\_\_\_\_  
Elizabeth U. Natter, Executive Director  
Office of General Counsel

\_\_\_\_\_  
Date

**CASE NO. DOW 21-3-0029**

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this \_\_\_ day of \_\_\_\_\_, 2021.

ENERGY AND ENVIRONMENT CABINET

---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman,  
Secretary Energy & Environment Cabinet

**CASE NO. DOW 21-3-0029**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

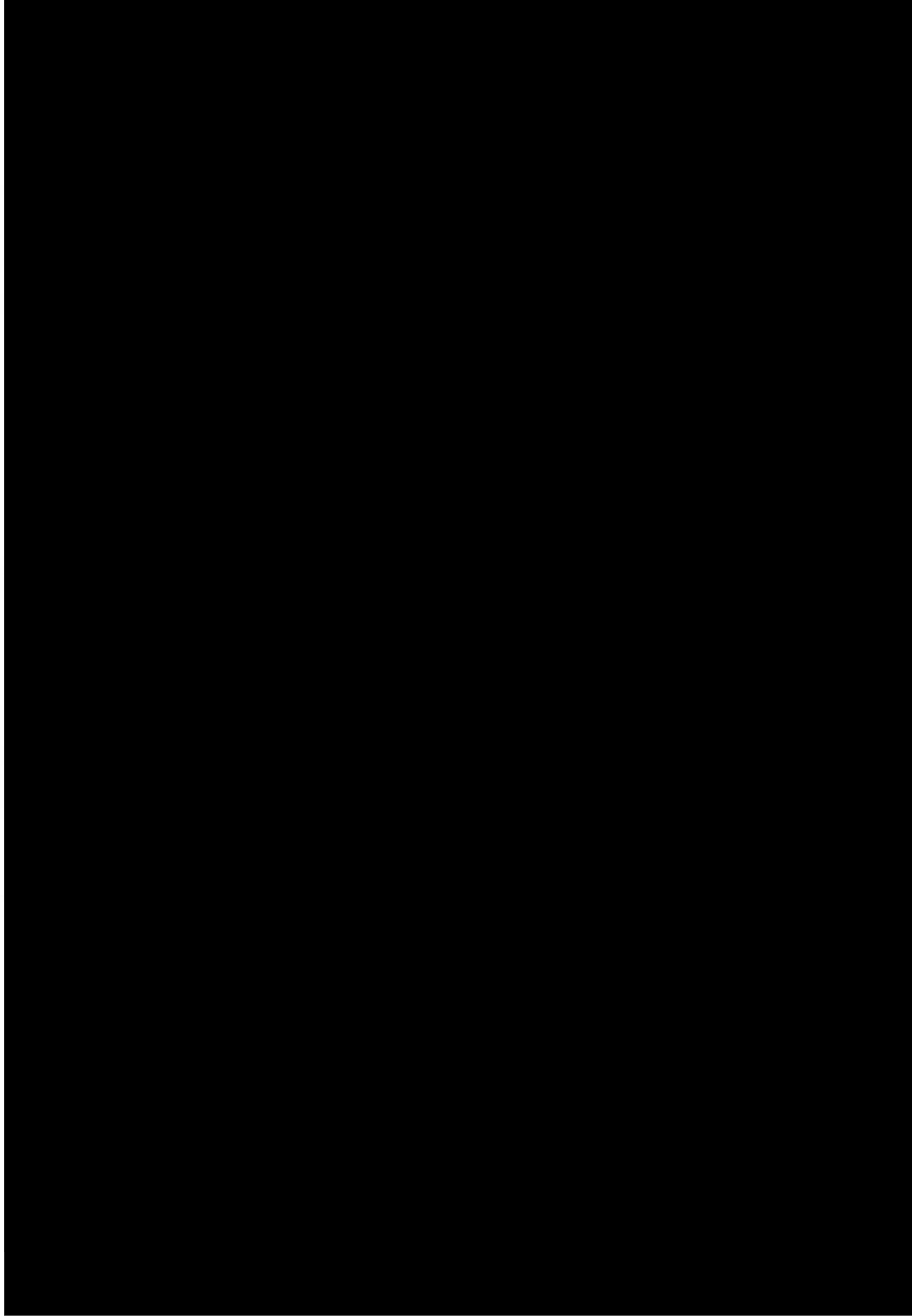
And mailed, messenger to:

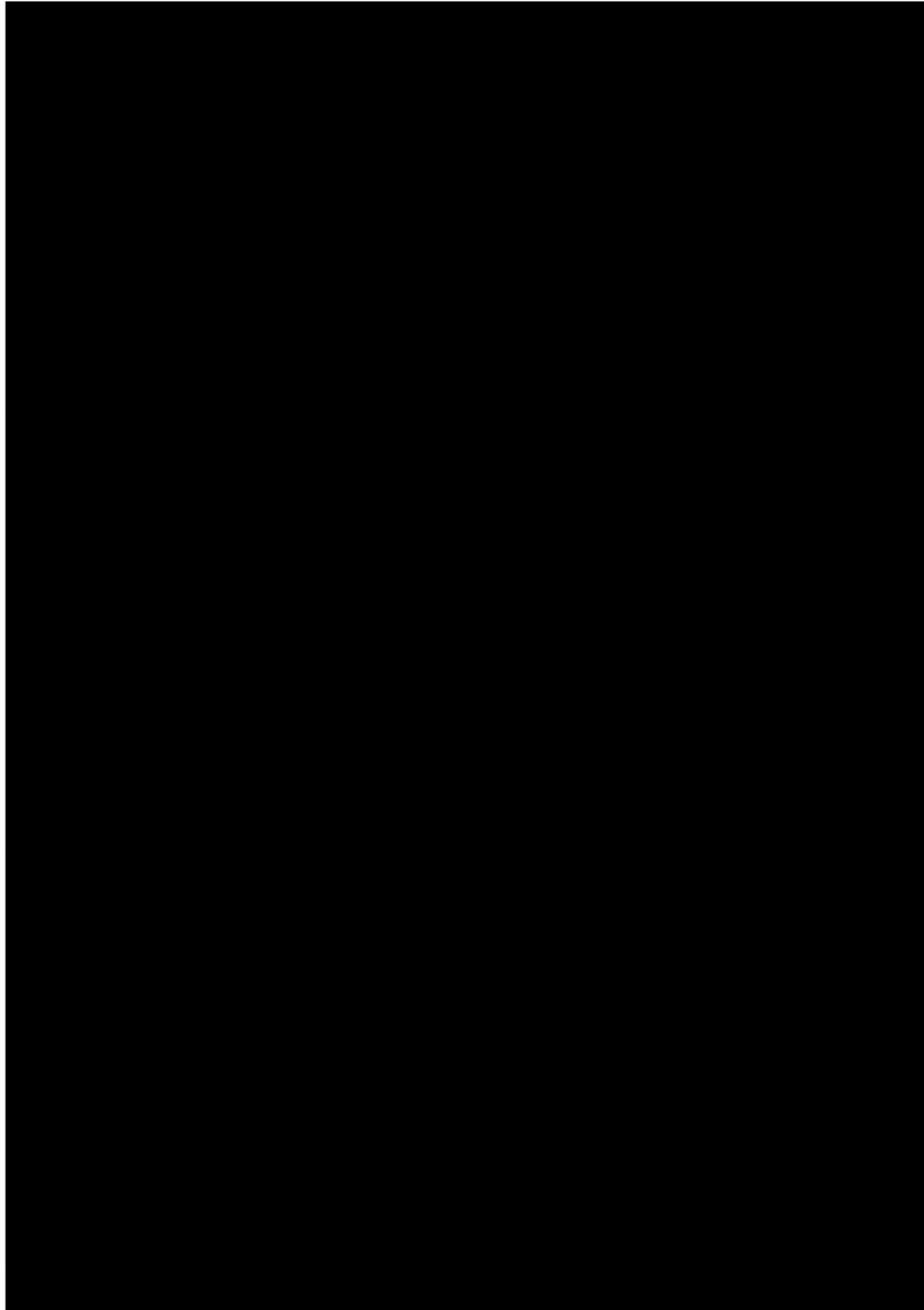
Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

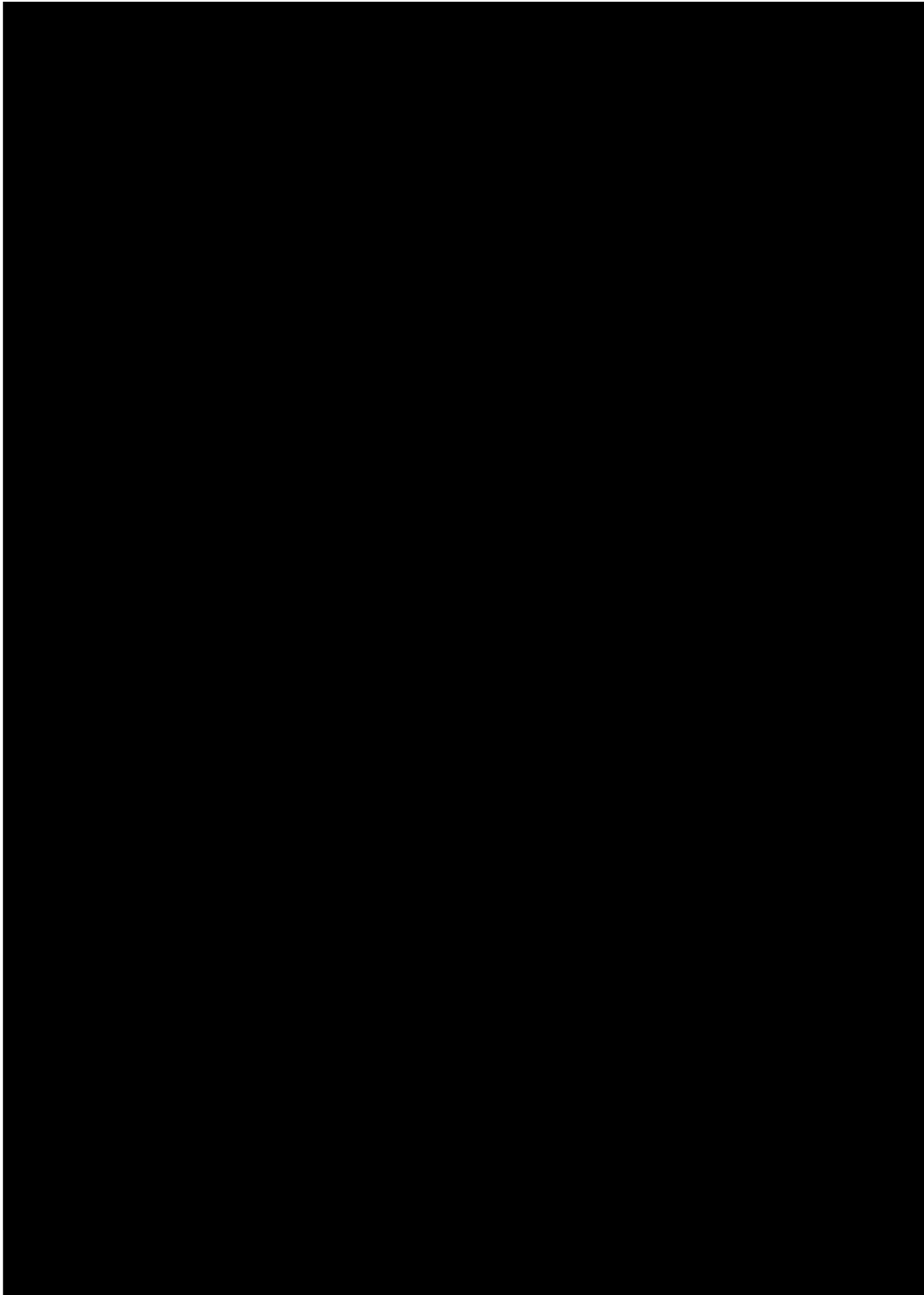
\_\_\_\_\_  
DOCKET COORDINATOR

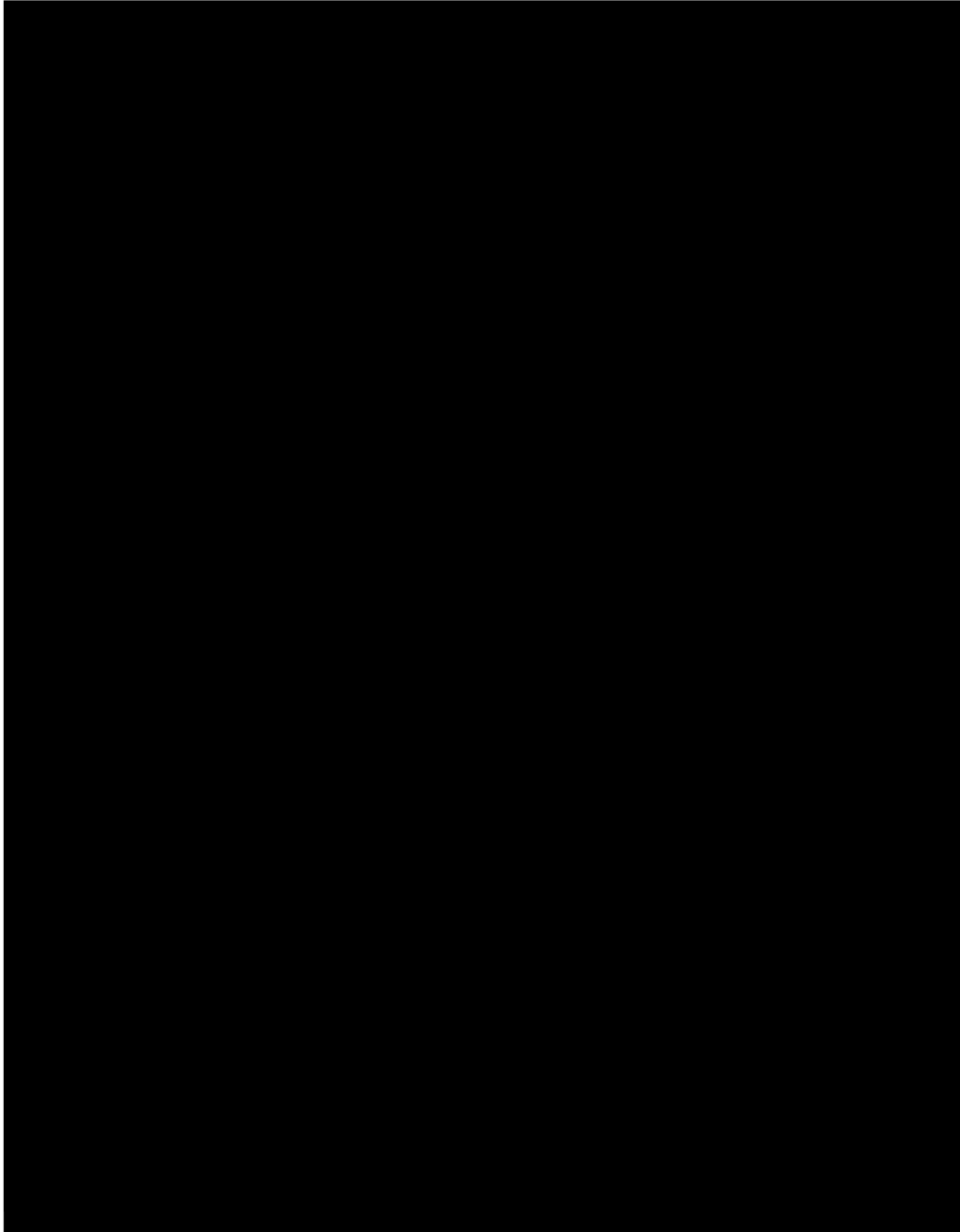
# Exhibit A

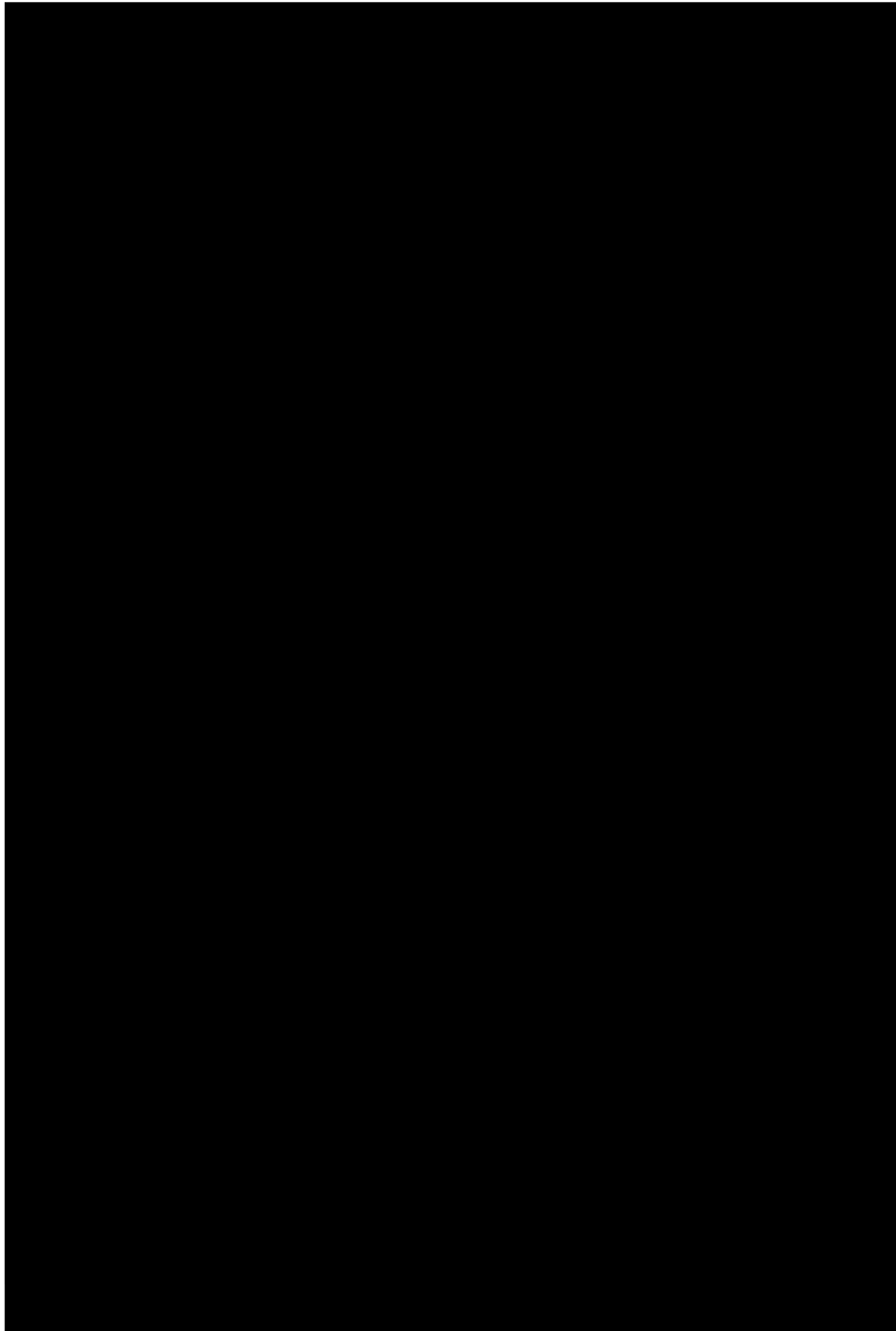


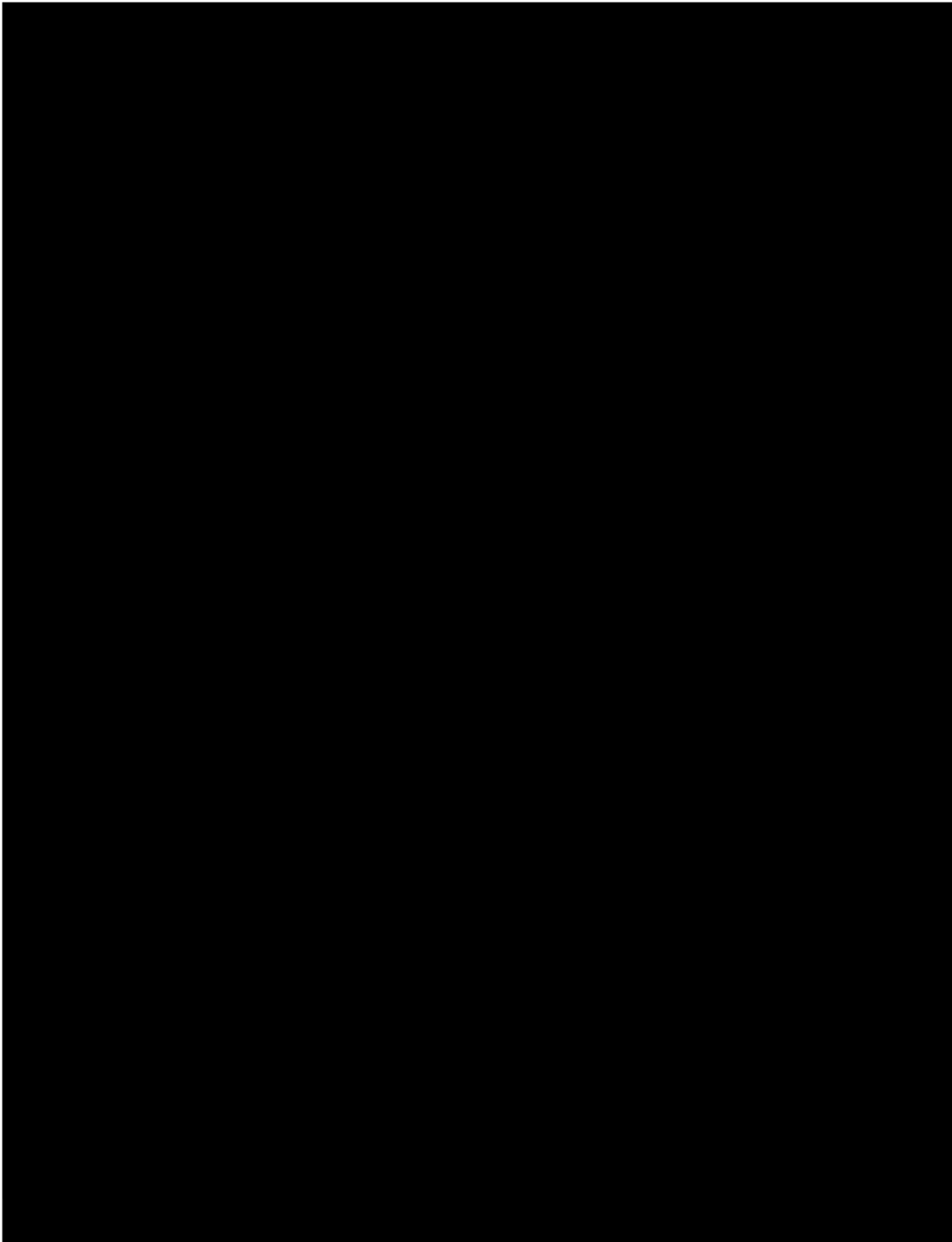












# DOW 21-3-0029 - Herrington Haven AO

Final Audit Report

2021-08-10

Created:	2021-08-09
By:	Mandy Keubler (mkeubler@cswrgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAOzzyrUHHarwhHwlfYmEsuuVOZm2QjBn

## "DOW 21-3-0029 - Herrington Haven AO" History

Document created by Mandy Keubler (mkeubler@cswrgroup.com)

2021-08-09 - 9:19:55 PM GMT- IP address: 71.10.211.134

Document emailed to Josiah Cox (jcox@cswrgroup.com) for signature

2021-08-09 - 9:20:38 PM GMT

Email viewed by Josiah Cox (jcox@cswrgroup.com)

2021-08-10 - 4:18:54 PM GMT- IP address: 12.127.143.250

Document e-signed by Josiah Cox (jcox@cswrgroup.com)

Signature Date: 2021-08-10 - 4:19:08 PM GMT - Time Source: server- IP address: 12.127.143.250

Agreement completed.

2021-08-10 - 4:19:08 PM GMT





October 20, 2021

Nicholas Fields  
Kentucky Department of Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3<sup>rd</sup> Floor  
Frankfort, KY 40601

Bluegrass Water Utility Operating Company, LLC  
Woodland Acres WWTP  
KYPDES Permit No. KY0091600  
Agency No. 479

### Corrective Action Plan

In light of the Woodland Acres WWTP's failure to meet permitted limits, Bluegrass Water submits the following corrective action plan.

Bluegrass Water Utility Operating Company (BWUOC) has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by the previous ownership, the current plant is not capable of consistently meeting limits.

#### 1. Causes of Effluent Violations

- Ammonia
- Total Suspended Solids (TSS)
- Carbonaceous Biological Oxygen Demand (CBOD)
- E. Coli

A review was performed of EPA's Echo compliance website which lists violations. The Woodland Crossing WWTF has been in "Significant noncompliance" for all of the last 12 quarters with numerous effluent exceedances as well as notices for improper maintenance and operations of the facility. The package plant portion of the facility has not been maintained by the previous ownership and is severely rusted and structurally unsound. Several electrical safety concerns exist, the return activated sludge piping has fallen in the basin, and other piping within the plant is constructed of PVC which can degrade in sunlight. The raw sewage pumps and the blowers are reaching the end of their useful lives and are not likely producing the pumping rate or air supply rate they were designed to produce.

In light of the poor maintenance of these portions of the plant, it is also probable that the diffusers in the aeration plant are in poor condition and not properly aerating the wastewater being treated. This compromises the treatment process and can result in exceedances in any of the above limits. Previous ownership allowed the plant to fall into such a state of disrepair that it is realistic to expect that the package plant would need to be totally replaced to consistently meet limits using the current process. This is especially evident in the condition of the tankage itself that would require either massive patching or replacement.

In addition to the self-inflicted maintenance challenges, the average daily flow is at the plant's rated capacity, and the peak flows caused by high inflow and infiltration likely exceed the rated capacity of clarifier and disinfection unit processes. There is a need to add equalization to reduce the peak flow to these unit processes and to reduce the solids



loading rate to the clarifier.

**2. System Evaluation and Corrective Actions**

The existing system will need to be replaced in the coming years. In an effort to make progress toward this goal as a part of the short term, the improvements will be phased.

A flow meter and Mission Monitoring system has already been installed and is being utilized to remotely monitor the facility. The flow meter will be calibrated.

The first phase of improvements will include the addition of equalization tanks that can ultimately be used to replace the package plant aeration tankage. Initially, the new equalization tanks will perform primary treatment on excess wet weather flows and reduce the hydraulic burden on the clarifier and contact tank. The first phase of improvements will also include the addition of moving bed biological reactor media installed in cages and positioned on the floor of the aeration tanks. The new MBBR cages will be sized to convert the existing system from an activated sludge system into an MBBR system to reduce the solids loading challenge on the currently hydraulically overloaded clarifier. In the future, the cages of MBBR media can be relocated into the new equalization tanks and serve as the primary biological treatment process.

The first phase of improvements will also include the addition of a peroxyacetic acid (PAA) storage and feed system to improve disinfection performance and the addition of an aluminum sulfate storage and feed system to help in meeting total suspended solids limits. A manual transfer switch will be added to allow for the use of a remote generator. The existing stand-alone aerobic digester will remain in service.

In the future, a second phase of improvements will include a clarifier system, a new contact tank, and the relocation of the new chemical feed facilities to serve in the new treatment scheme. It is also anticipated that a new influent pump station and equalization facility will be required at that time.

**3. Project Milestones**

- a. Continue monitoring performance of facility (June 30, 2023)
- b. Install temporary wet weather equalization tank (November 30, 2021)
- c. Calibrate flow meter and Mission monitoring system (November 30, 2021)
- d. Submit construction permit application for major modifications (January 15, 2022)
- e. Procure equipment (May 15, 2022)
- f. Receive construction permit (August 30, 2022)
- g. Complete construction (June 30, 2023)

Sincerely,

**ENRIQUE CHAVEZ JR.**  
Utility Project Manager

(314) 380-8043  
(314) 437-5714  
(314) 736-4743  
[echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
1650 Des Peres Rd., Suite 303  
Des Peres, MO 63131  
[centralstateswaterresources.com](http://centralstateswaterresources.com)



May 20, 2022

Nicholas Fields  
 Kentucky Department of Environmental Protection  
 Division of Enforcement  
 300 Sower Blvd., 3<sup>rd</sup> Floor  
 Frankfort, KY 40601

RE: Bluegrass Water Utility Operating Company, LLC  
 Woodland Acres WWTP  
 KYPDES Permit No. KY0091600  
 Agency No. 479

On behalf of Bluegrass Water Utility Operating Company, Inc., we are submitting this letter per the EEC's requirement consistent with the current CAO plan that was approved on October 6, 2021. We are continuing to work to meet effluent compliance for this facility.

BWUOC is currently waiting for CPCN approval for construction and KDOW has not approve our construction permit for this facility. KDOW requested additional information, with regards to the construction plan submitted by 21 Design Group. The assigned engineering firm responded to all questions presented by KDOW and feedback for scope of work continues to be on-hold.

Construction equipment has been ordered. Construction materials have started to arrive, and improvements will begin as soon as construction permit approval is confirmed by Div. of Water. However, some of the main equipment materials have been delayed on delivery due to shortages and/or limited production. Some of the construction can be started but we are working closely with the manufacturers to ensure all goods and materials are available once approval is confirmed.

Please let us know if this letter does not meet the status report requirements of achieving system compliance.

Sincerely,

**Enrique Chavez Jr.**  
 Utility Project Manager  
 Email: [echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
 Office: (314) 380-8043  
 Mobile: (314) 437-5714



@ bluegrasswateruoc.com

1-866-752-8982

support@bluegrasswateruoc.com





**Andy Beshear**  
Governor

**Rebecca W. Goodman**  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

**Kent A. Chandler**  
Chairman

**Mary Pat Regan**  
Commissioner

August 9, 2022

Josiah Cox  
CEO  
Central States Water Resources  
1630 Des Peres Road, Suite 140  
Des Peres, MO 63131

Re: Periodic Wastewater Inspection  
Bluegrass Water Utility Operating Company, LLC – Woodland Acres Wastewater  
System  
Bullitt County, KY

Dear Mr. Cox:

Public Service Commission staff performed a periodic inspection of the Bluegrass Water Utility Operating Company, LLC – Woodland Acres wastewater system located in Bullitt County, KY on April 27, 2022, reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, the following deficiencies were identified:

1. No safety grating over top the digester or handrails for safety concerns. This contrary to 807 KAR 5:071, Section 7(1).
2. No safety grating over top the equalization flow tank or handrails for safety concerns. This is contrary to 807 KAR 5:071, Section 7(1).
3. The clarifier is murky. This is a sign that the treatment plant is not functioning properly. This is contrary to 807 KAR 5:071, Section 7(1).
4. At the time of the inspection, a foul odor was coming from the treatment plant. This is contrary to 807 KAR 5:071, Section 7(1).
5. There is an air leak in the clarifier. This is contrary to 807 KAR 5:071, Section 7(1).

For the five deficiencies listed above, an explanation of why these deficiencies occurred and how these deficiencies will be remedied and prevented in the future needs to be provided. A letter addressing the organization's actions regarding the deficiencies shall be submitted no later than September 9, 2022.

Please review the enclosed inspection report in its entirety as you will find further information noted about the inspection. If you have any questions regarding this inspection, feel free to contact me at 502-330-5986 or via email at [Brian.Rice@ky.gov](mailto:Brian.Rice@ky.gov).

Periodic Waste Water Inspection  
Bluegrass Water Utility Operating Company, LLC. –  
Woodland Acres Wastewater System  
August 2, 2022  
Page 2 of 2

Sincerely,



Brian L. Rice  
Utility Inspector  
Public Service Commission

Enclosure(s)

Copy: Aaron Silas, Regulatory Case Manager, Central States Water Resources  
Jake Freeman, Director of Engineering, Central States Water Resources  
Terry Merritt, VP of Midwest Water Operations  
1351 Jefferson Street, Suite 301  
Washington, MO 63090

**Filed 10/6/2021 OAH**

COMMONWEALTH OF KENTUCKY  
 ENERGY AND ENVIRONMENT CABINET  
 DIVISION OF ENFORCEMENT  
 CASE NO. DOW 21-3-0030

IN RE: Woodland Acres Utilities, LLC  
 Woodland Acres WWTP  
 57 Hemlock Drive  
 Shepherdsville, KY 40165  
 AI No. 479  
 Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter “Cabinet”) and Bluegrass Water Utility Operating Company, LLC (hereinafter “BWUOC”) state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Woodland Acres Wastewater Treatment Plant (hereinafter “Woodland Acres WWTP” or “facility”), is located at 57 Hemlock Drive, Shepherdsville, Kentucky 40165. The facility has a design capacity of 0.025 million gallons per day and discharges to an unnamed tributary to Mud Run.
4. Woodland Acres WWTP is currently owned and operated by Woodland Acres Utilities, LLC. The facility’s discharges are permitted under Kentucky Pollutant Discharge

Elimination Systems (hereinafter "KPDES") permit number KY0091600, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on March 31, 2021.

5. Woodland Acres Utilities, LLC, is an inactive for-profit Kentucky corporation in bad standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Woodland Acres WWTP, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Woodland Acres WWTP on or around March 1, 2021.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Woodland Acres WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 26, 2021.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Woodland Acres WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Woodland Acres WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Within thirty (30) days of execution of this Agreed Order, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

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14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Woodland Acres WWTP.

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18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

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#### **TERMINATION**


26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes



all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 21-3-0030

AGREED TO BY:

  
Josiah Cox (Aug 10, 2021 11:19 CDT)  
\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

Aug 10, 2021  
Date

CASE NO. DOW 21-3-0030

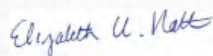
APPROVAL RECOMMENDED BY:



Michael B. Kroeger, Director(Assistant)  
Division of Enforcement

9/9/2021

Date



Elizabeth U. Natter, Executive Director  
Office of General Counsel

10/6/2021

Date

CASE NO. DOW 21-3-0030

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 6th day of October, 2021.

ENERGY AND ENVIRONMENT CABINET



---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman,  
Secretary Energy & Environment Cabinet

CASE NO. DOW 21-3-0030

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 6th day of October, 2021.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed, messenger to:~~ Electronically mailed to:

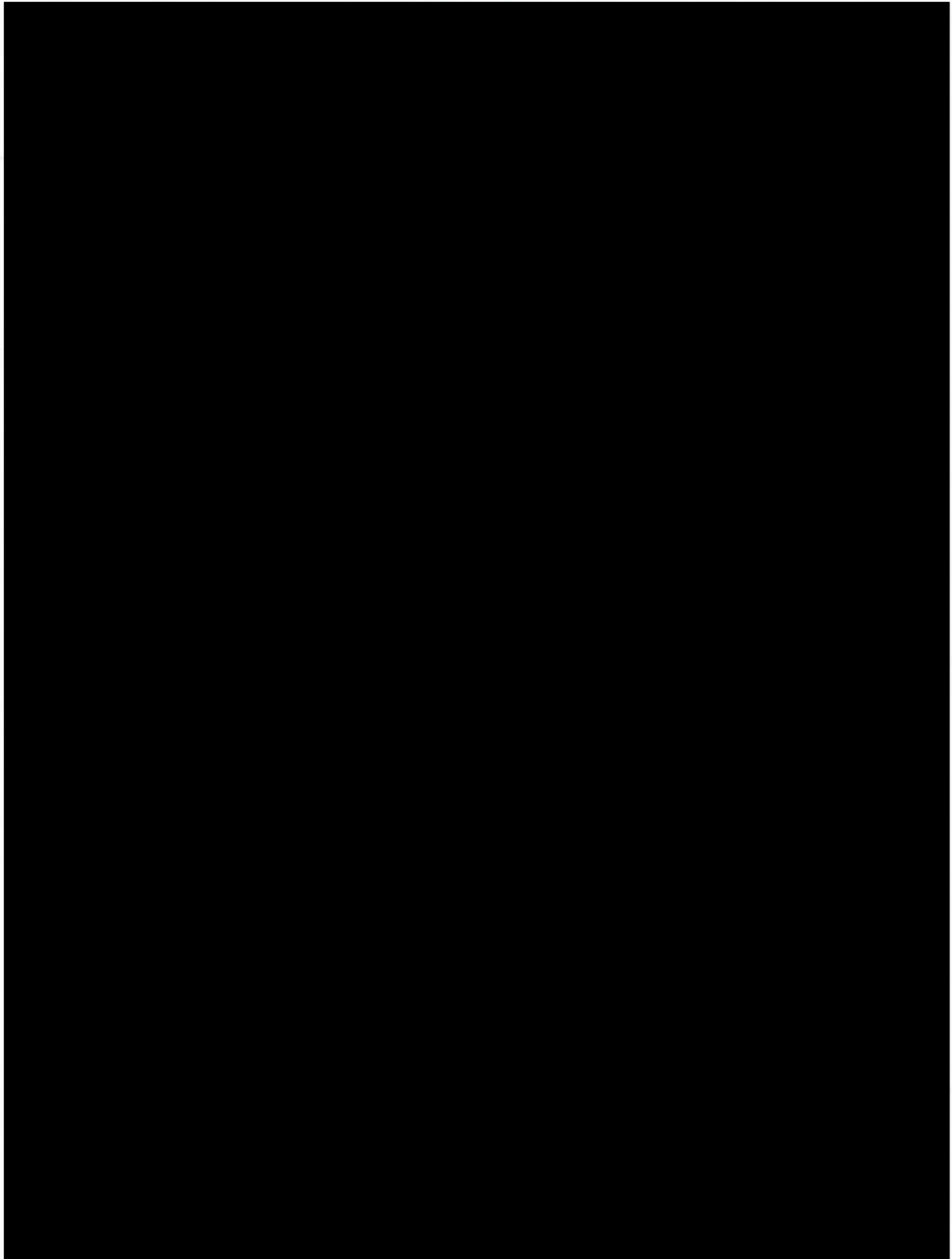
Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

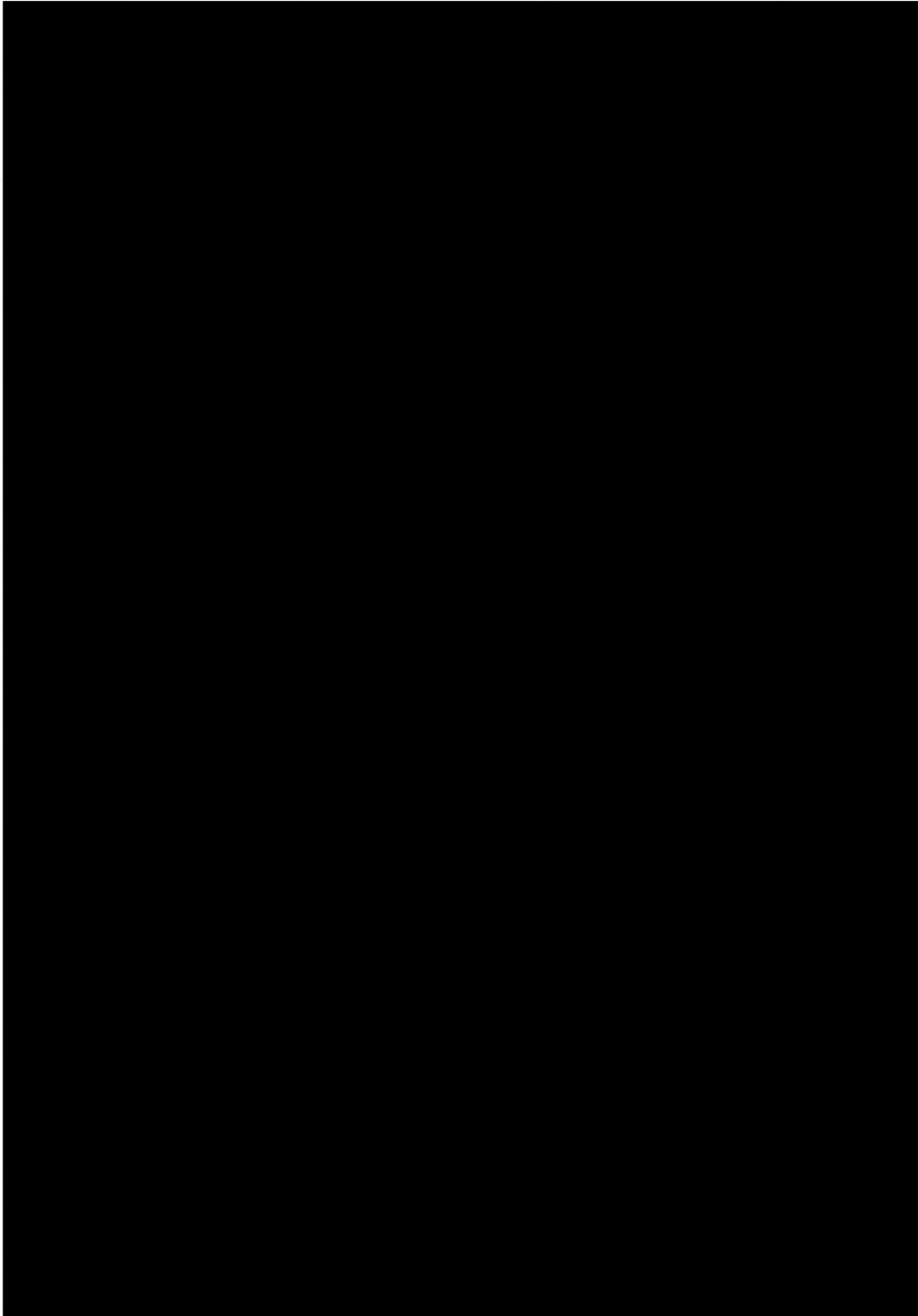
Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

  
\_\_\_\_\_  
DOCKET COORDINATOR

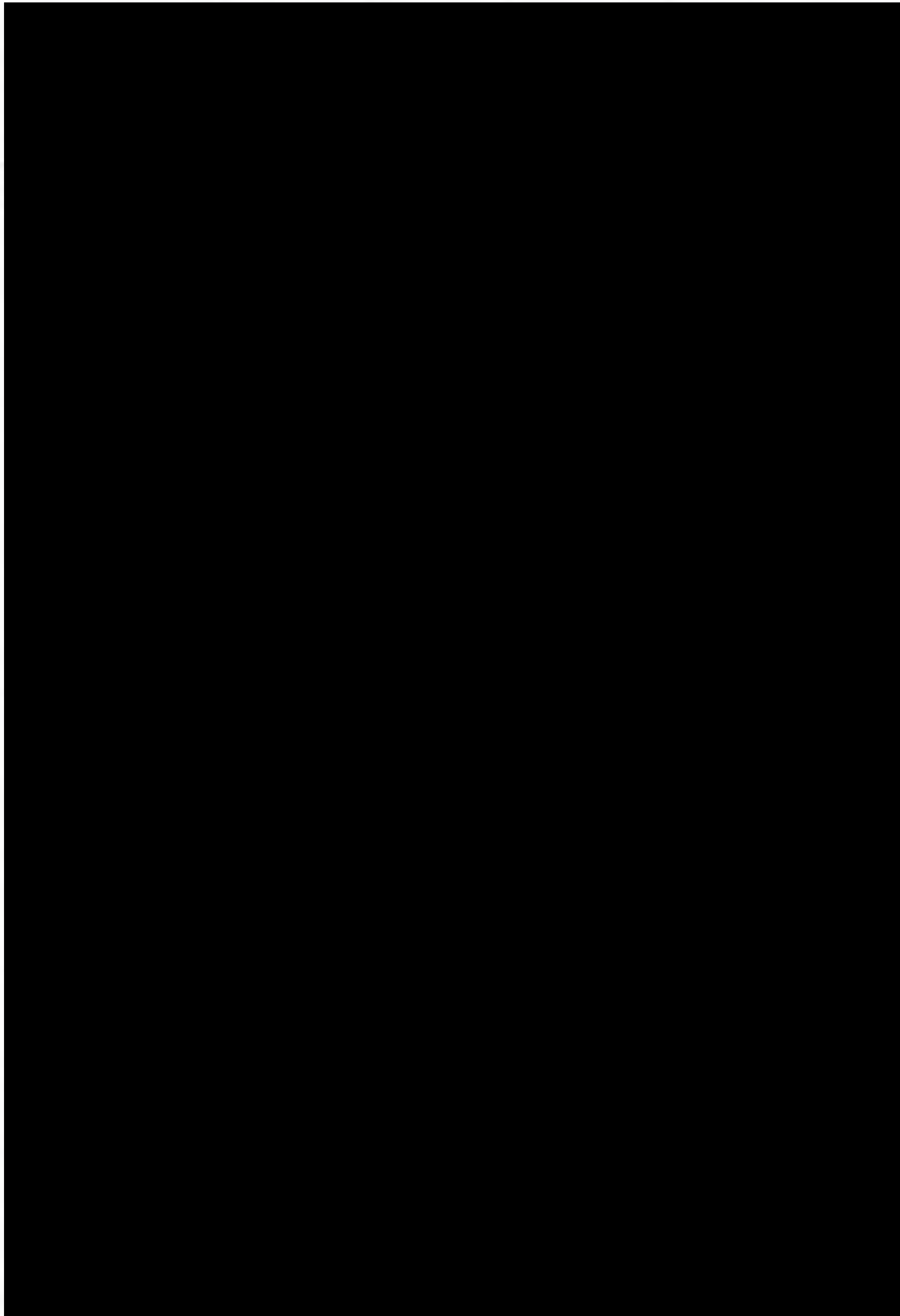
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DOW-email  
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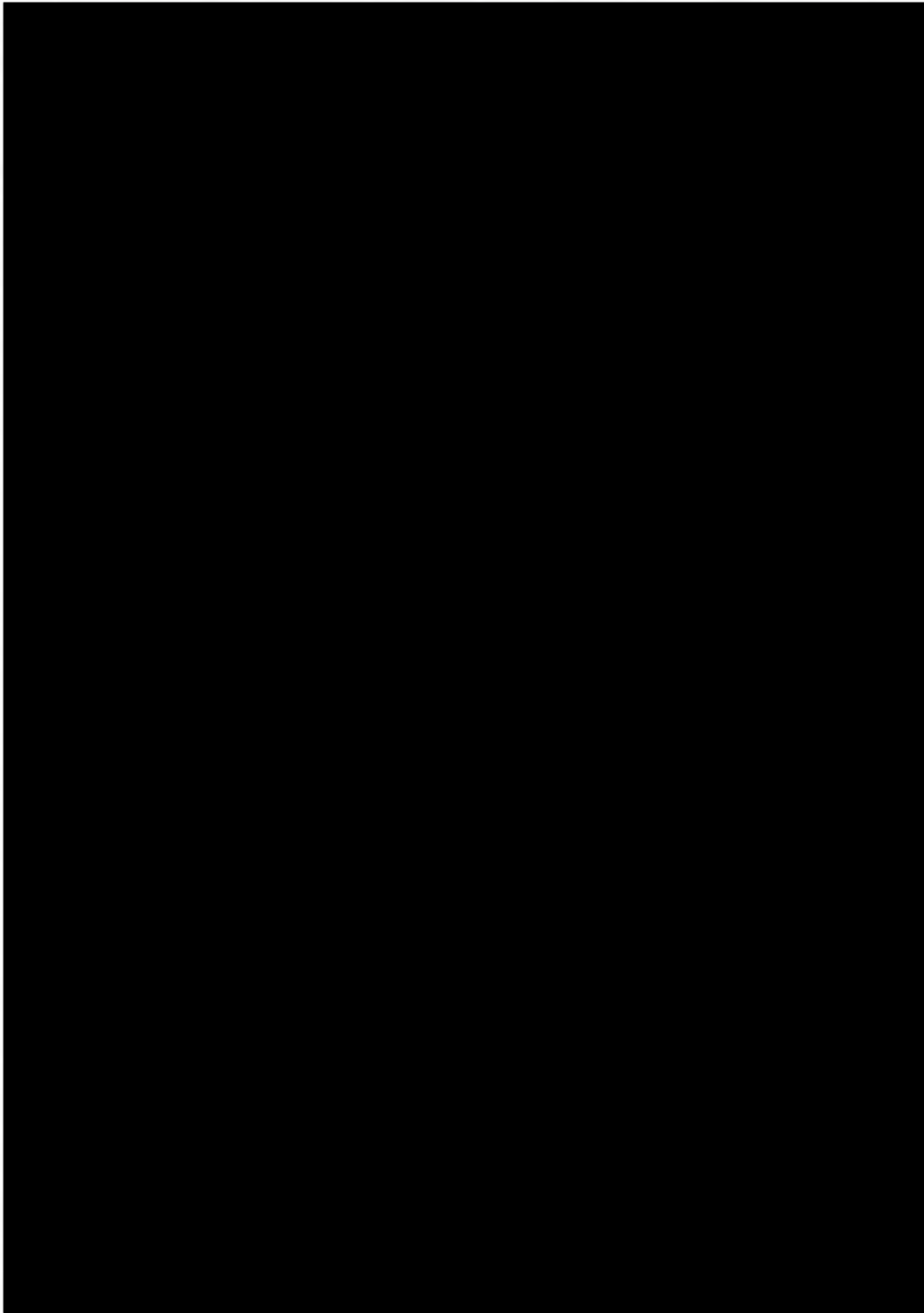
# Exhibit A

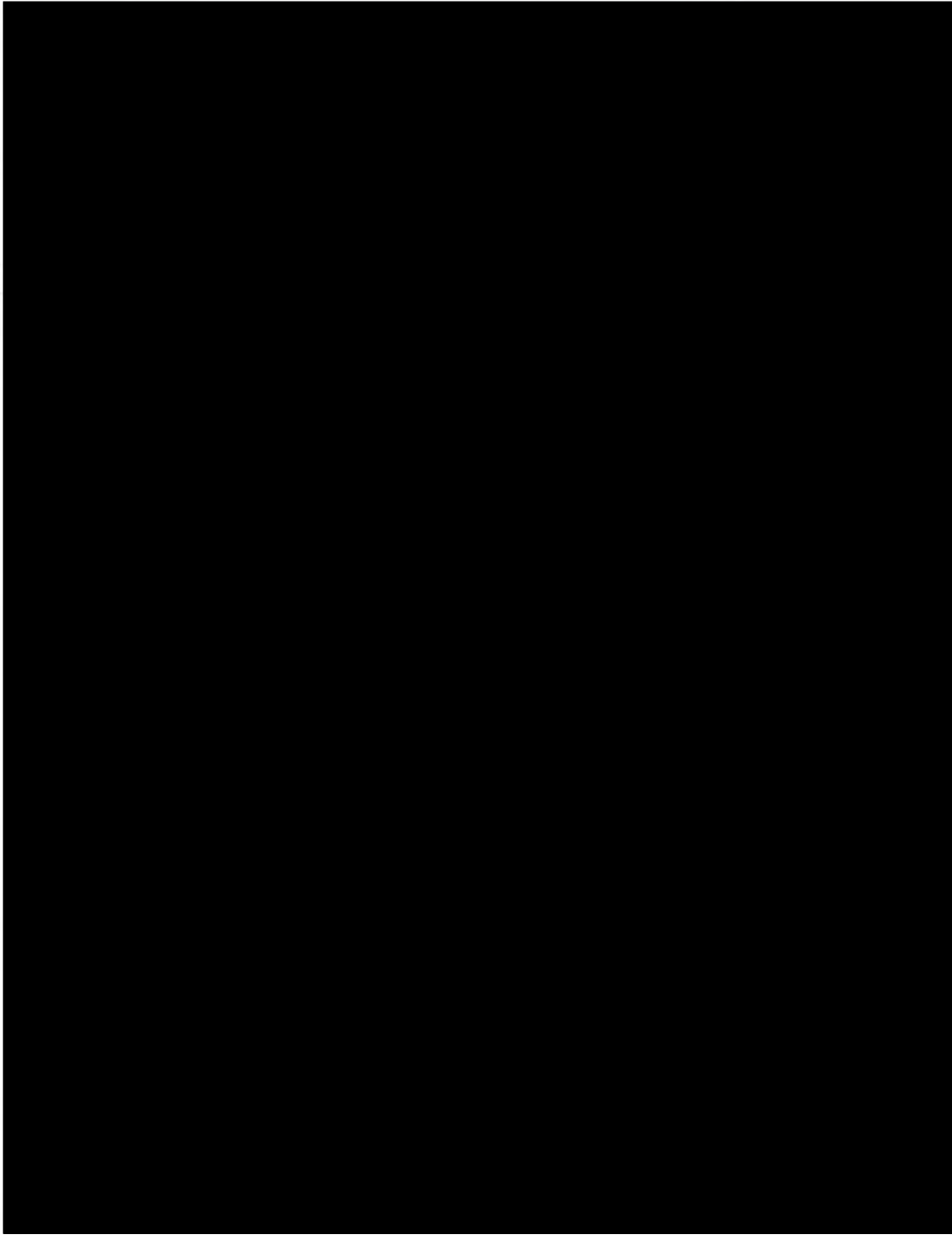


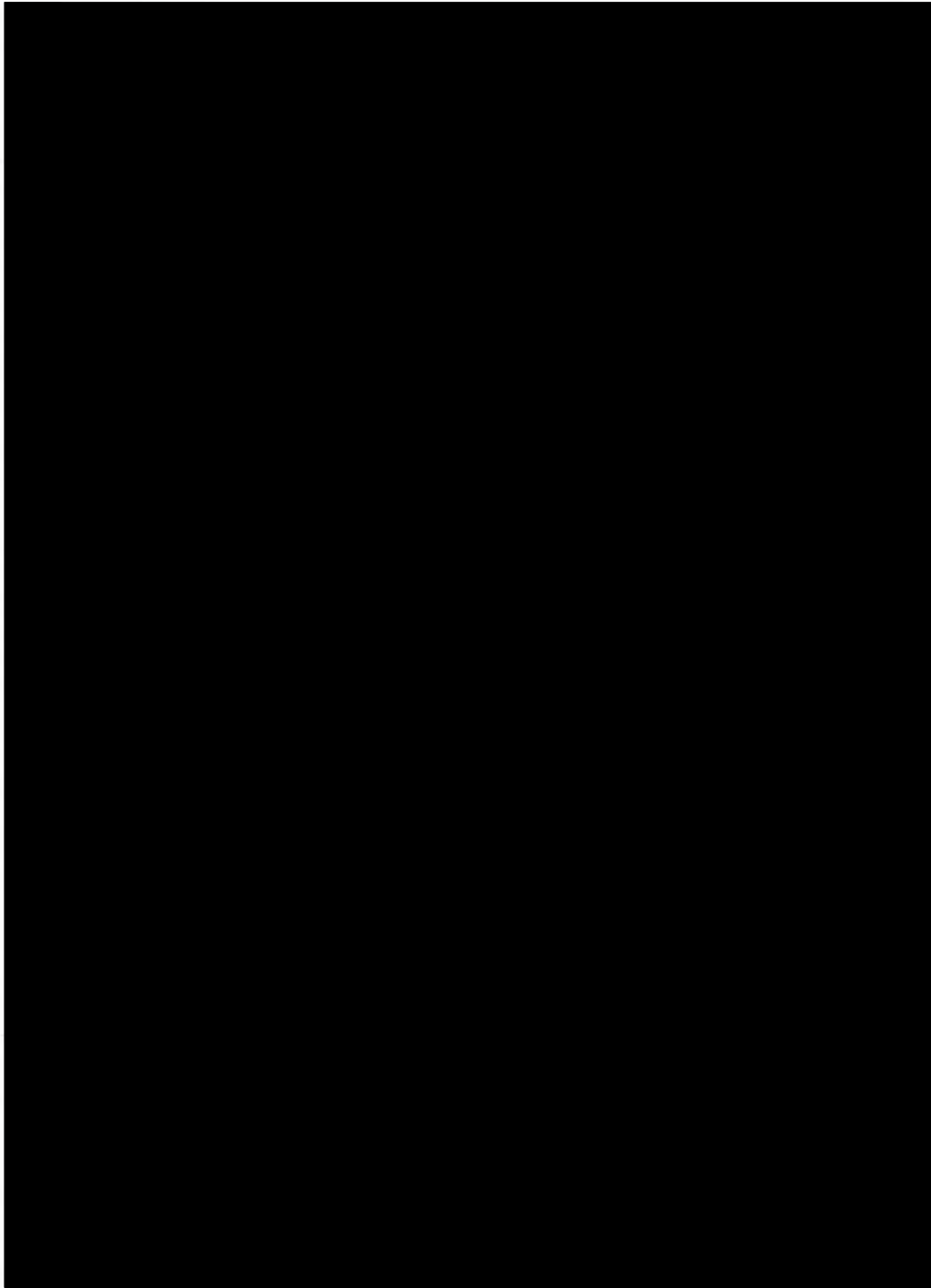













# DOW 21-3-0030 - Woodland Acres AO

Final Audit Report

2021-08-10

Created:	2021-08-09
By:	Mandy Keubler (mkeubler@cswrgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA34IsUeBgv9Zo22gFKtqDBsCuVD7dvOqg

## "DOW 21-3-0030 - Woodland Acres AO" History

-  Document created by Mandy Keubler (mkeubler@cswrgroup.com)  
2021-08-09 - 9:19:16 PM GMT- IP address: 71.10.211.134
-  Document emailed to Josiah Cox (jcox@cswrgroup.com) for signature  
2021-08-09 - 9:19:44 PM GMT
-  Email viewed by Josiah Cox (jcox@cswrgroup.com)  
2021-08-10 - 4:19:15 PM GMT- IP address: 12.127.143.250
-  Document e-signed by Josiah Cox (jcox@cswrgroup.com)  
Signature Date: 2021-08-10 - 4:19:25 PM GMT - Time Source: server- IP address: 12.127.143.250
-  Agreement completed.  
2021-08-10 - 4:19:25 PM GMT



COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0030

IN RE: Woodland Acres Utilities, LLC  
Woodland Acres WWTP  
57 Hemlock Drive  
Shepherdsville, KY 40165  
AI No. 479  
Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter “Cabinet”) and Bluegrass Water Utility Operating Company, LLC (hereinafter “BWUOC”) state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address according to the Kentucky Secretary of State, is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Woodland Acres Wastewater Treatment Plant (hereinafter “Woodland Acres WWTP” or “facility”), is located at 57 Hemlock Drive, Shepherdsville, Kentucky 40165. The facility has a design capacity of 0.025 million gallons per day and discharges to an unnamed tributary to Mud Run.
4. Woodland Acres WWTP is currently owned and operated by Woodland Acres Utilities, LLC. The facility’s discharges are permitted under Kentucky Pollutant Discharge

Elimination Systems (hereinafter “KPDES”) permit number KY0091600, issued by the Cabinet’s Division of Water (hereinafter “DOW”). The facility’s KPDES permit expires on March 31, 2021.

5. Woodland Acres Utilities, LLC, is an inactive for-profit Kentucky corporation in bad standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire Woodland Acres WWTP, provided it receives from the Kentucky Public Service Commission (“Commission”) all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of Woodland Acres WWTP on or around March 1, 2021.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at Woodland Acres WWTP (Exhibit A). This report was submitted to the Cabinet on or about January 26, 2021.

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to Woodland Acres WWTP, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation of Woodland Acres WWTP within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a “Change in Ownership Certification” to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Within thirty (30) days of execution of this Agreed Order, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter “CAP”) to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,



Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. Should BWUOC fail to comply with the terms and conditions of this Agreed Order, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of Woodland Acres WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or a designee thereof. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or a designee thereof as evidenced by his or her signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.


#### **TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes

all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.

CASE NO. DOW 21-3-0030

AGREED TO BY:

  
\_\_\_\_\_  
Josiah Cox (Aug 10, 2021 11:19 CDT)  
\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

Aug 10, 2021  
\_\_\_\_\_  
Date

CASE NO. DOW 21-3-0030

**APPROVAL RECOMMENDED BY:**

\_\_\_\_\_  
Michael B. Kroeger, Director  
Division of Enforcement

\_\_\_\_\_  
Date

\_\_\_\_\_  
Elizabeth U. Natter, Executive Director  
Office of General Counsel

\_\_\_\_\_  
Date

CASE NO. DOW 21-3-0030

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this \_\_\_ day of \_\_\_\_\_, 2021.

ENERGY AND ENVIRONMENT CABINET

---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman,  
Secretary Energy & Environment Cabinet

CASE NO. DOW 21-3-0030

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And mailed, messenger to:

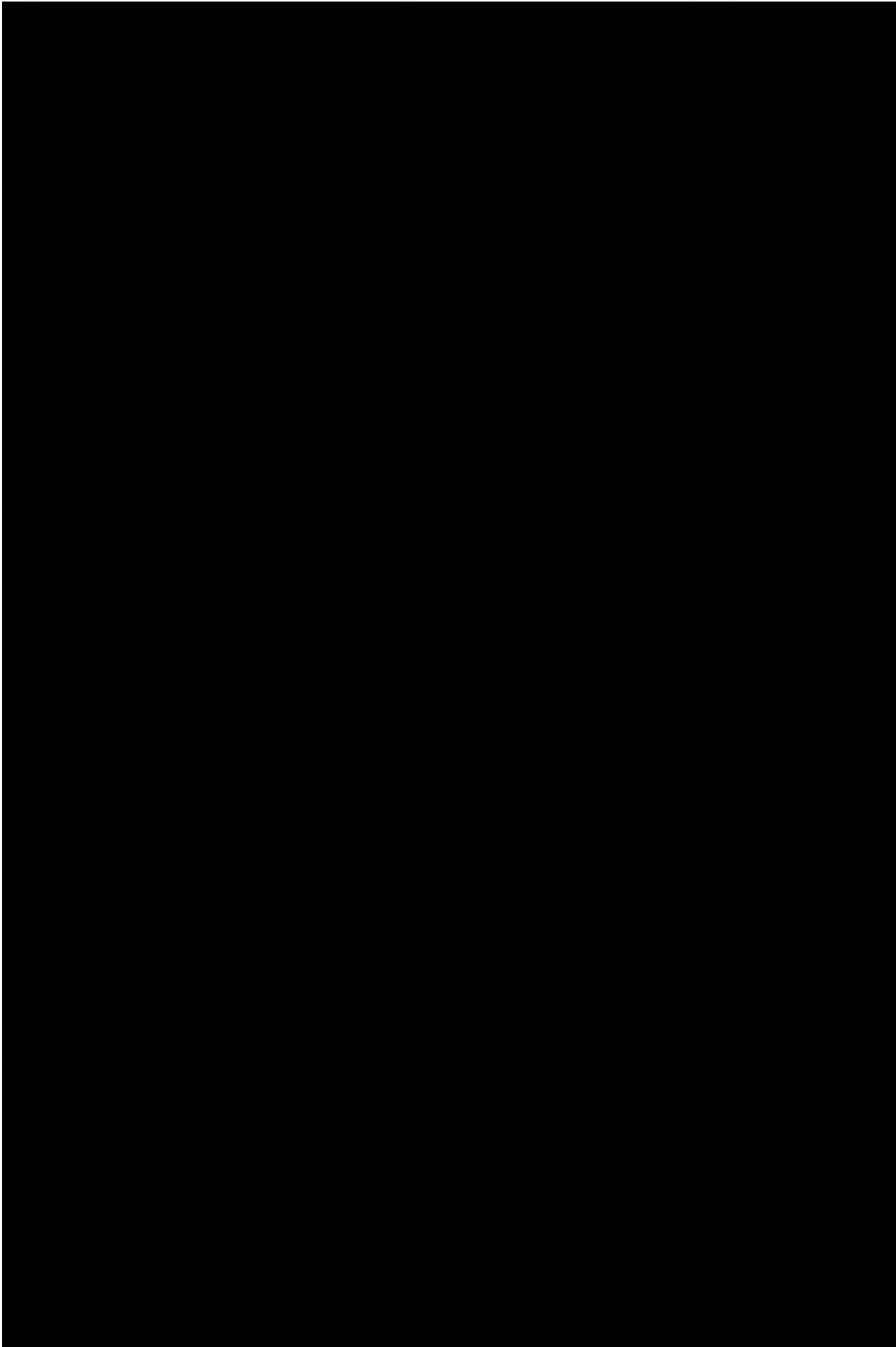
Michael B. Kroeger, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

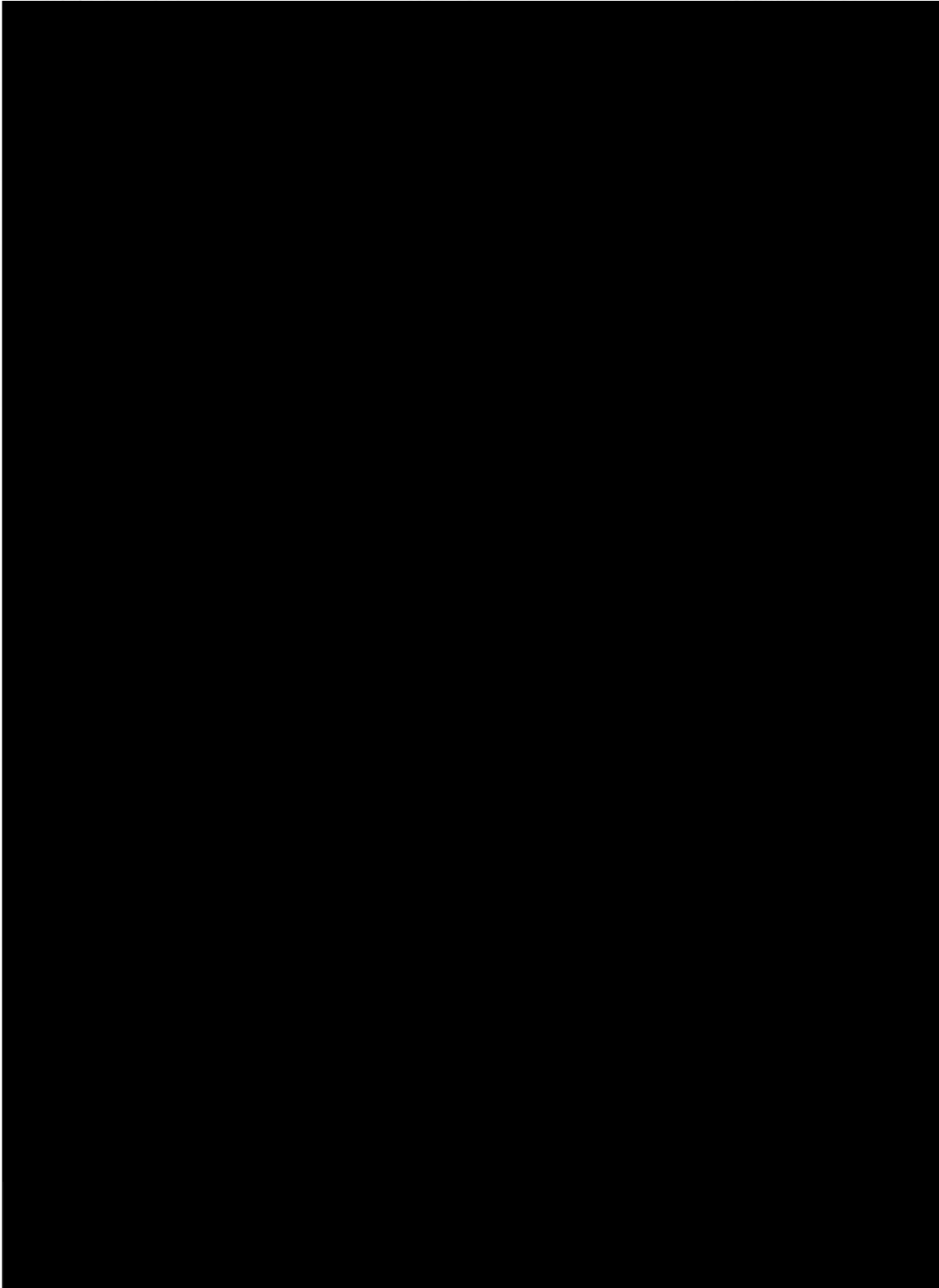
Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

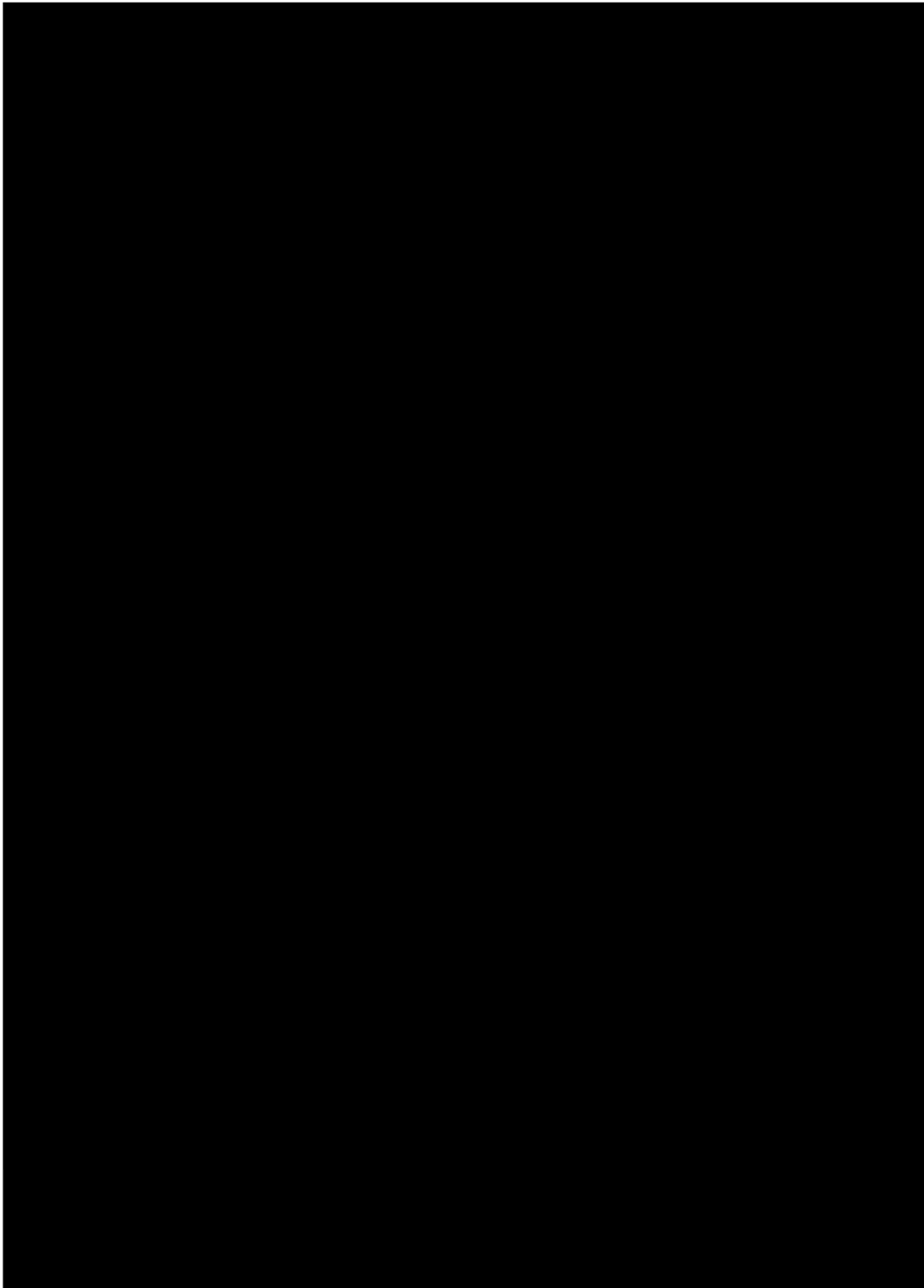
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DOCKET COORDINATOR

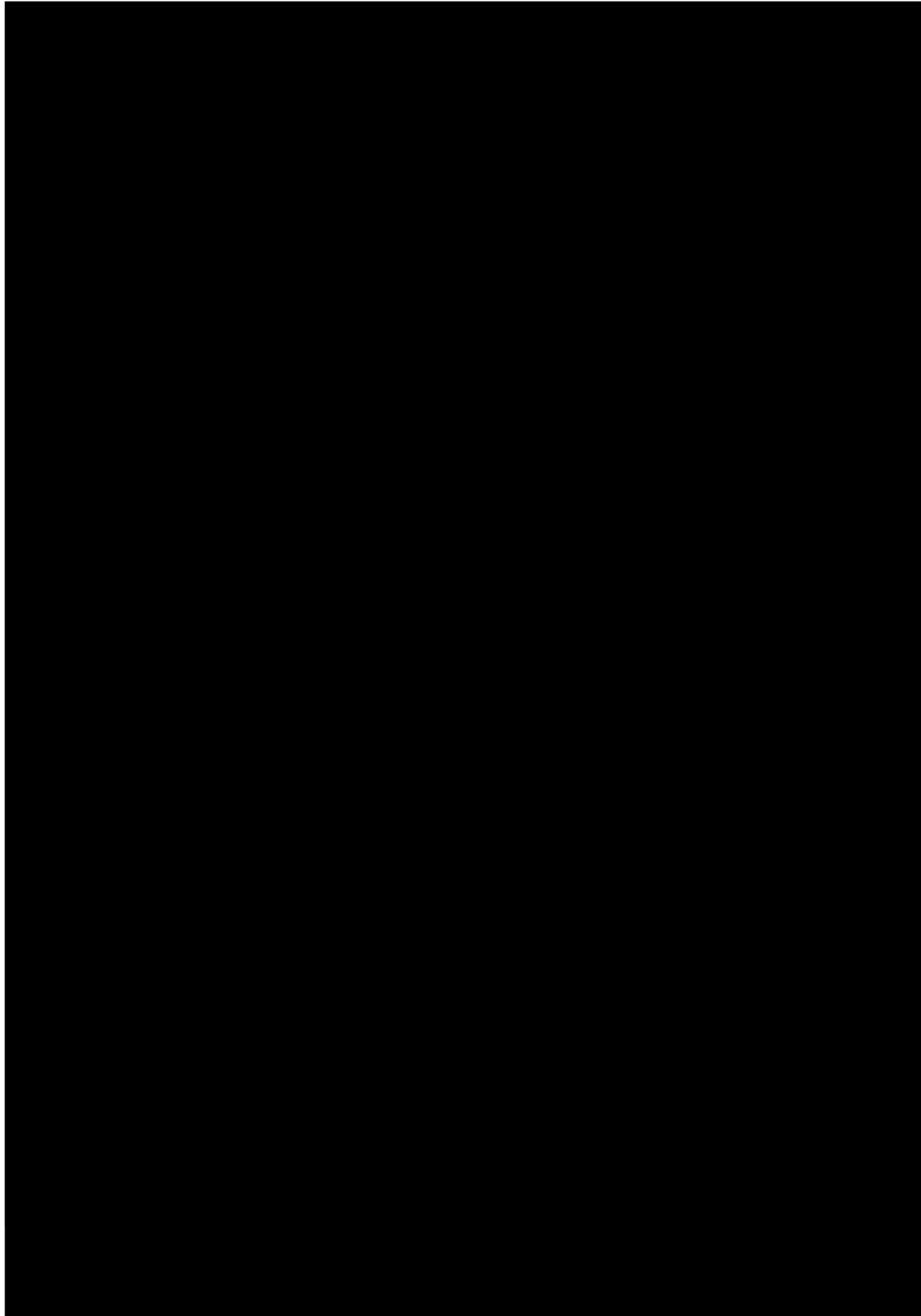


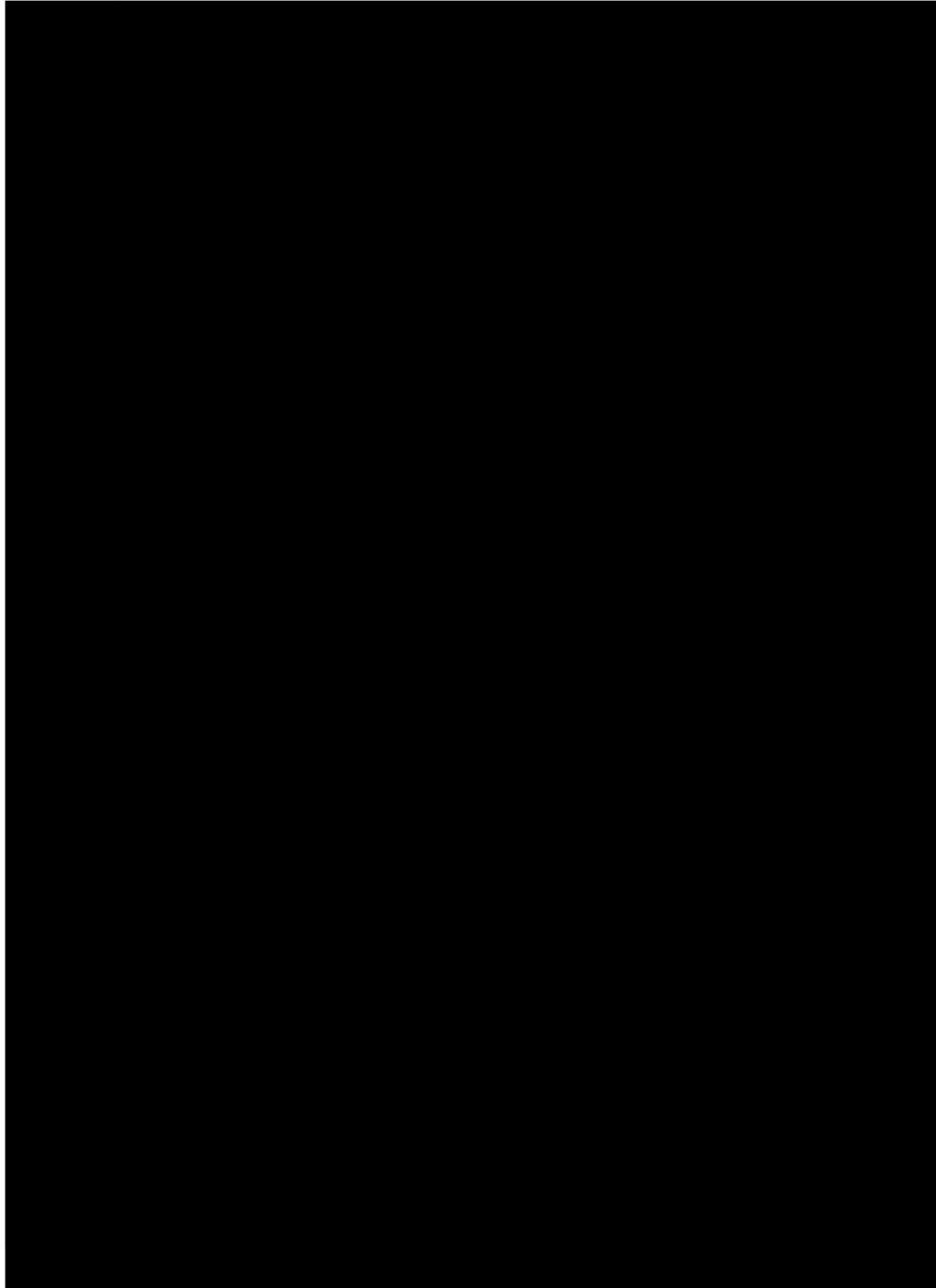
# Exhibit A

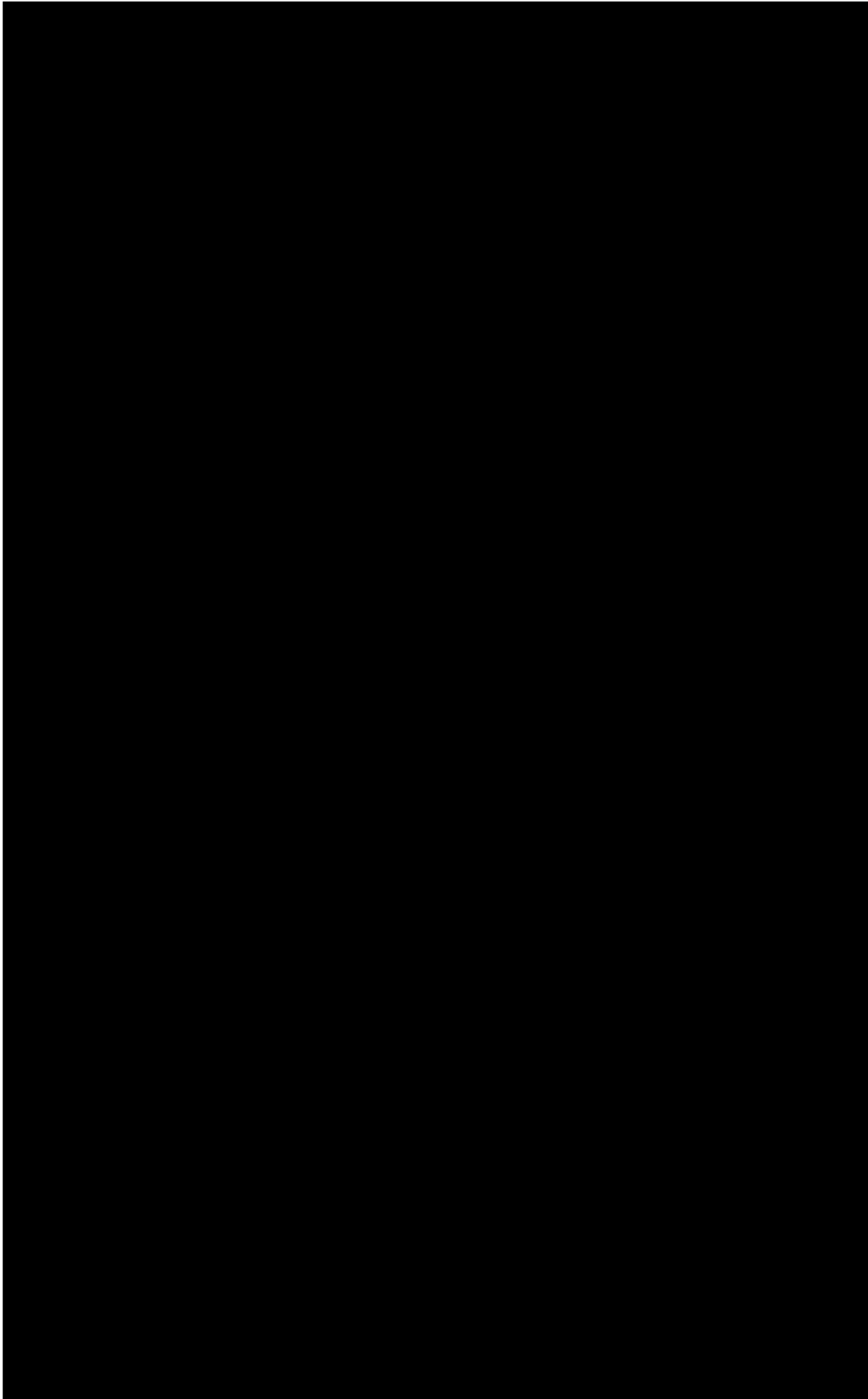












# DOW 21-3-0030 - Woodland Acres AO

Final Audit Report

2021-08-10

Created:	2021-08-09
By:	Mandy Keubler (mkeubler@cswrgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA341sUeBgv9Zo22gFKtqDBsCuVD7dvOqg

## "DOW 21-3-0030 - Woodland Acres AO" History

Document created by Mandy Keubler (mkeubler@cswrgroup.com)

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Document emailed to Josiah Cox (jcox@cswrgroup.com) for signature

2021-08-09 - 9:19:44 PM GMT

Email viewed by Josiah Cox (jcox@cswrgroup.com)

2021-08-10 - 4:19:15 PM GMT- IP address: 12.127.143.250

Document e-signed by Josiah Cox (jcox@cswrgroup.com)

Signature Date: 2021-08-10 - 4:19:25 PM GMT - Time Source: server- IP address: 12.127.143.250

Agreement completed.

2021-08-10 - 4:19:25 PM GMT







ANDY BESHEAR  
GOVERNOR

REBECCA W. GOODMAN  
SECRETARY

**ENERGY AND ENVIRONMENT CABINET**  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

ANTHONY R. HATTON  
COMMISSIONER

300 SOWER BOULEVARD  
FRANKFORT, KENTUCKY 40601

March 2, 2022

CERTIFIED MAIL No. 7020 0090 0002 2448 4965  
Return Receipt Requested

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

Re: AI Name: Darlington Creek HOA Subd  
AI No. 44397  
Case No. DOW-21-3-0211  
Activity No. ERF20210001  
Campbell County

Dear Mr. Cox:

Enclosed is the Agreed Order that was discussed with the Division of Enforcement. If the terms are agreeable, please sign the Order and return the entire original document to:

ATTN: Nicholas Fields  
Department for Environmental Protection  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

If the Division of Enforcement has not received a signed Agreed Order within fourteen (14) days of receipt of this letter, we will assume that you wish the Cabinet to proceed with its legal remedies regarding the violations. If you have any questions, please contact me at 502-782-5273 or [nicholas.fields@ky.gov](mailto:nicholas.fields@ky.gov).

Sincerely,

Nicholas Fields,  
Environmental Enforcement Specialist  
Division of Enforcement

Enclosure



[KentuckyUnbridledSpirit.com](http://KentuckyUnbridledSpirit.com)

An Equal

Opportunity Employer M/F/D

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0211

IN RE: Bluegrass Water Utility Operating Company, LLC  
Darlington Creek Homeowners Association, Inc.  
500 Thomas More Parkway  
Crestview Hills, KY 41017  
AI No. 44397  
Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter "Cabinet") and Bluegrass Water Utility Operating Company, LLC (hereinafter "BWUOC") state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Darlington Creek Homeowners Association Wastewater Treatment Plant (hereinafter "Darlington Creek WWTP" or "facility"), is located at US 27 South & Highway 154, Alexandria, Kentucky 41001. The facility has a design capacity of 0.0495 million gallons per day and discharges to an unnamed tributary of Phillips Creek.
4. Darlington Creek WWTP is currently owned and operated by the Darlington Creek Homeowners Association, Inc. The facility's discharges are permitted under Kentucky Pollutant

Discharge Elimination Systems (hereinafter "KPDES") permit number KY0105325, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on June 30, 2024.

5. Darlington Creek Homeowners Association, Inc. is an active non-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire the facility, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of the facility on or around January 15, 2022.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at the facility (Exhibit A).

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to the facility, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. However, in the event that such numeric permit parameter violation results in immediate and irreparable harm to human health or the environment, the Cabinet may issue an Abate and Alleviate Order or seek a temporary injunction from a court. Should BWUOC fail to comply with the terms and conditions of this Agreed Order or if conditions warrant immediate relief as specified above, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of the Darlington Creek WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or her designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed

Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

25. This Agreed Order shall be of no force and effect unless and until it is entered by the Secretary or his designee as evidenced by his signature thereon. If this Agreed Order contains any date by which BWUOC is to take any action or cease any activity, and the Secretary enters the Agreed Order after that date, then BWUOC is nonetheless obligated to have taken the action or ceased the activity by the date contained in this Agreed Order.

**TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.



**AGREED TO BY:**



\_\_\_\_\_  
Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

3/10/2022  
Date

**APPROVAL RECOMMENDED BY:**

\_\_\_\_\_  
Natalie Bruner, Director  
Division of Enforcement

\_\_\_\_\_  
Date

\_\_\_\_\_  
Elizabeth U. Natter, Executive Director  
Office of Legal Services

\_\_\_\_\_  
Date

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this \_\_\_ day of \_\_\_\_\_, 202\_\_.

ENERGY AND ENVIRONMENT CABINET

---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman, Secretary  
Energy & Environment Cabinet

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

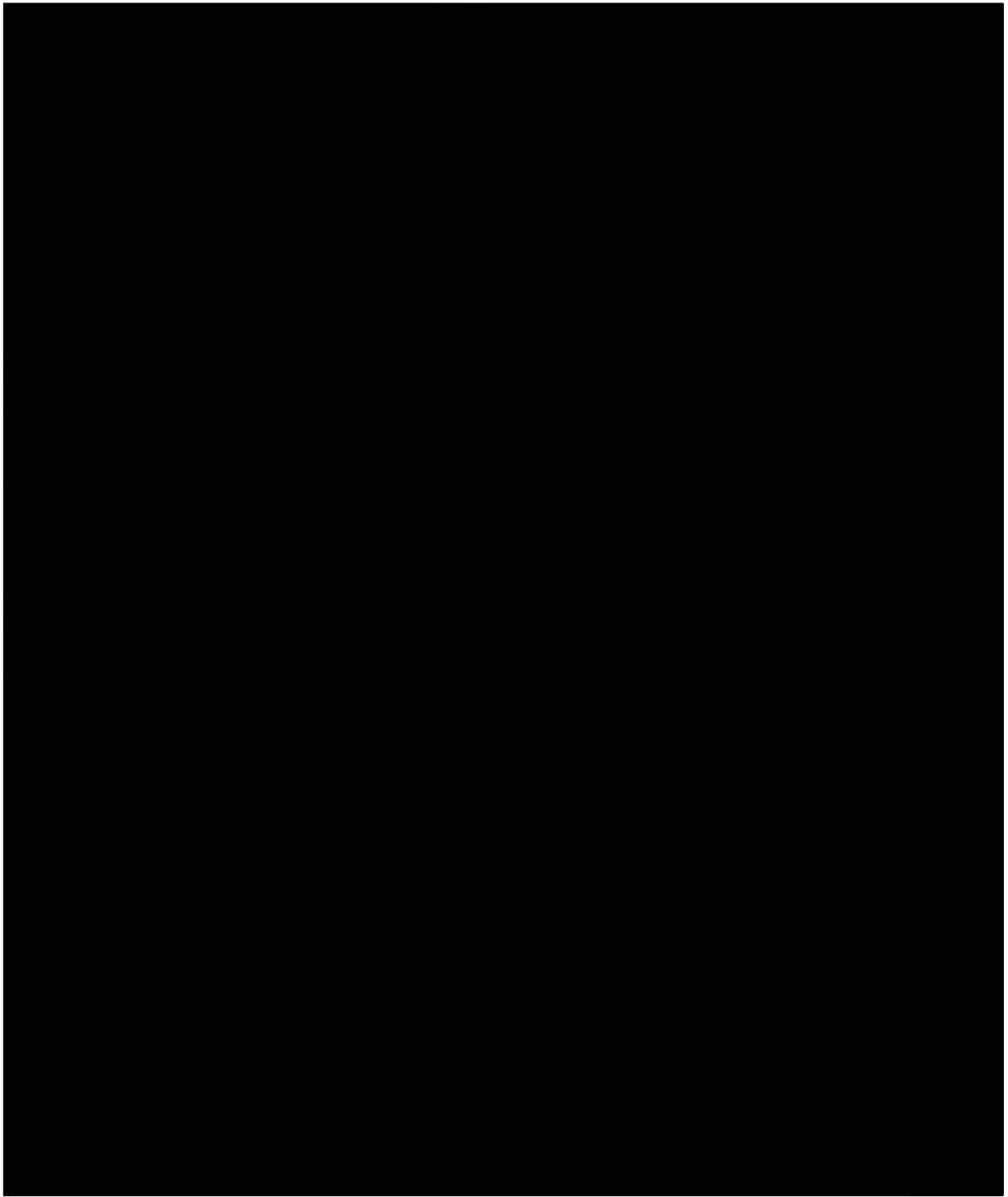
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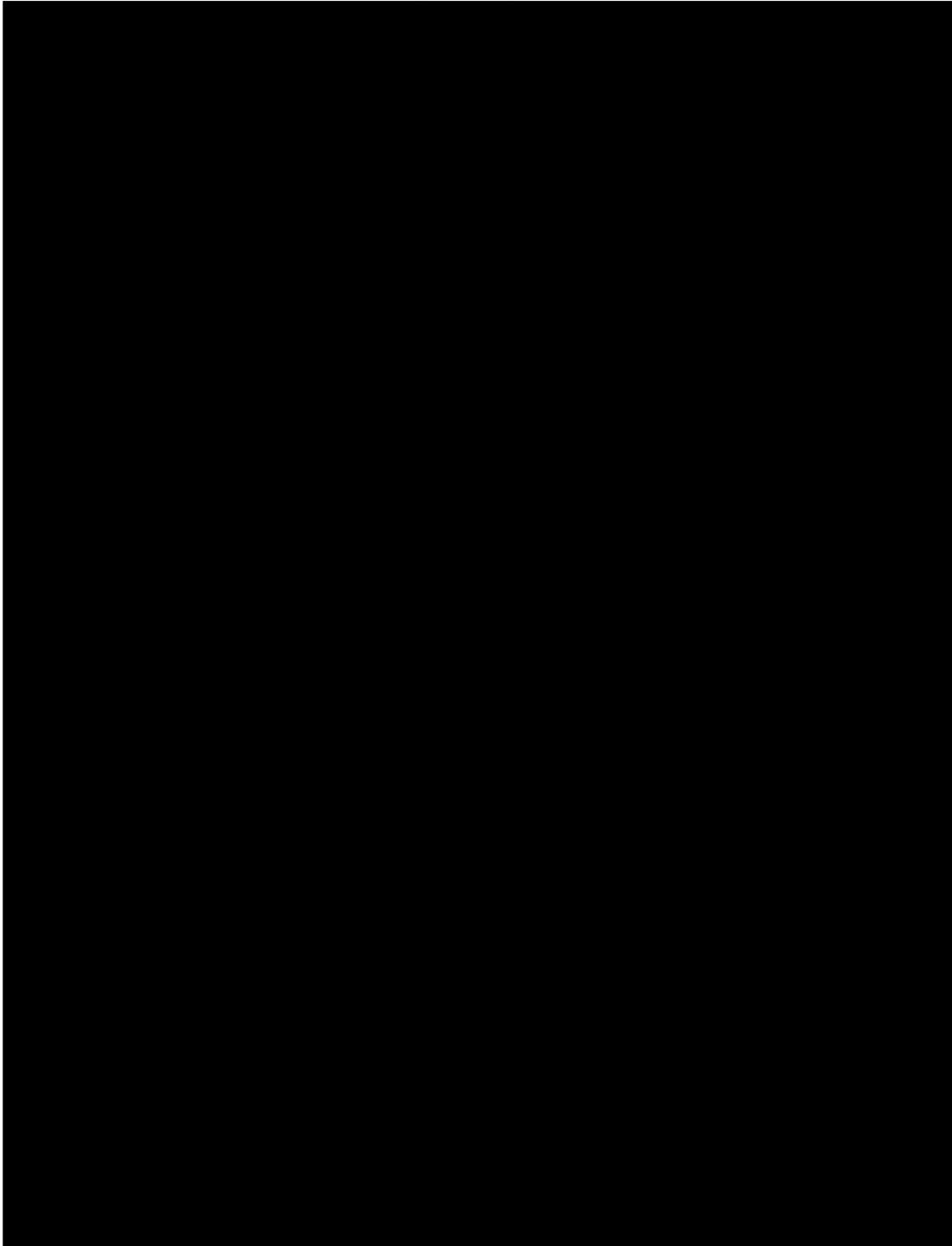
Natalie Bruner, Director  
Division of Enforcement  
300 Sower Blvd.  
Frankfort, Kentucky 40601

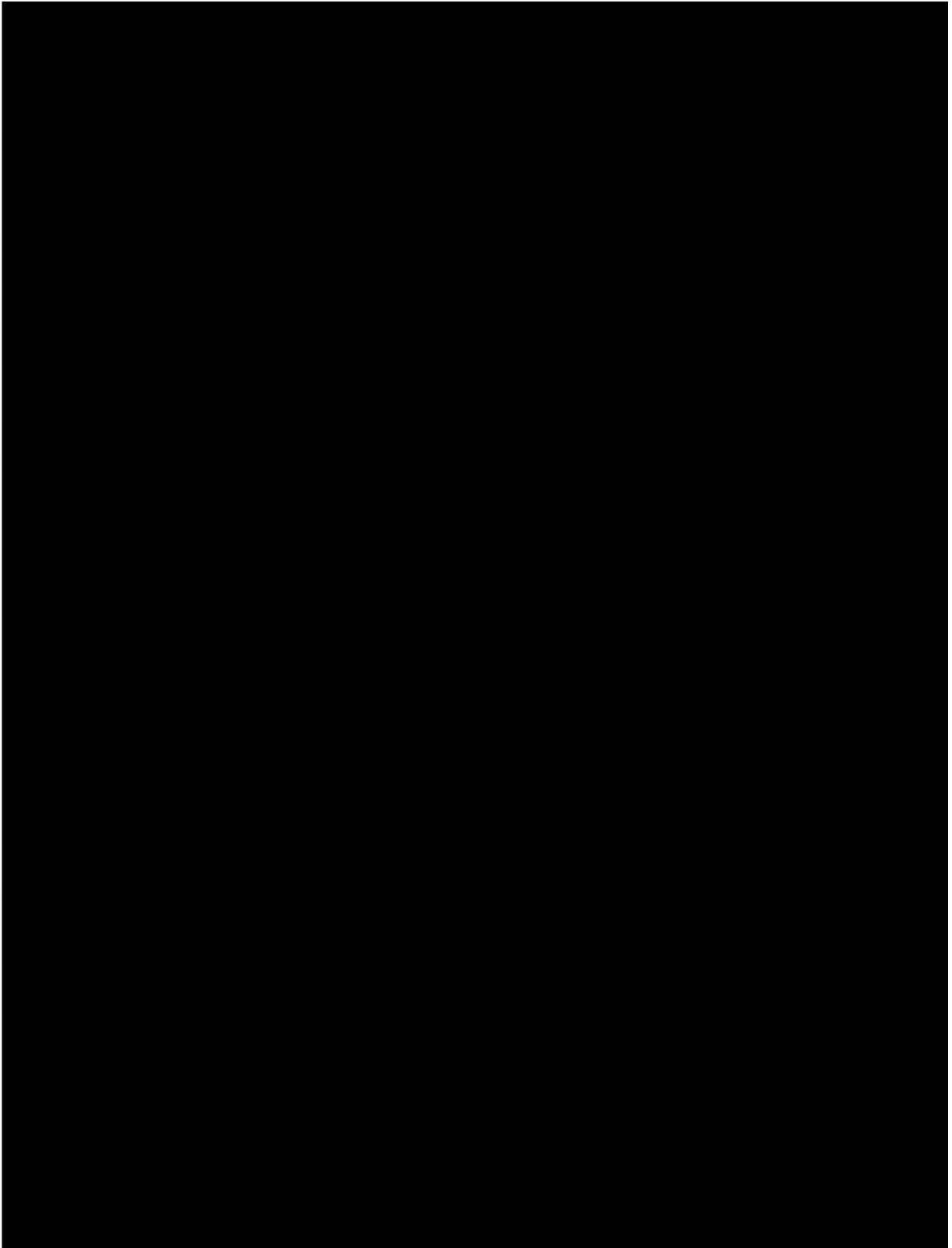
Elizabeth U. Natter, Executive Director  
Office of General Counsel  
Energy and Environment Cabinet  
300 Sower Blvd.  
Frankfort, Kentucky 40601

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DOCKET COORDINATOR

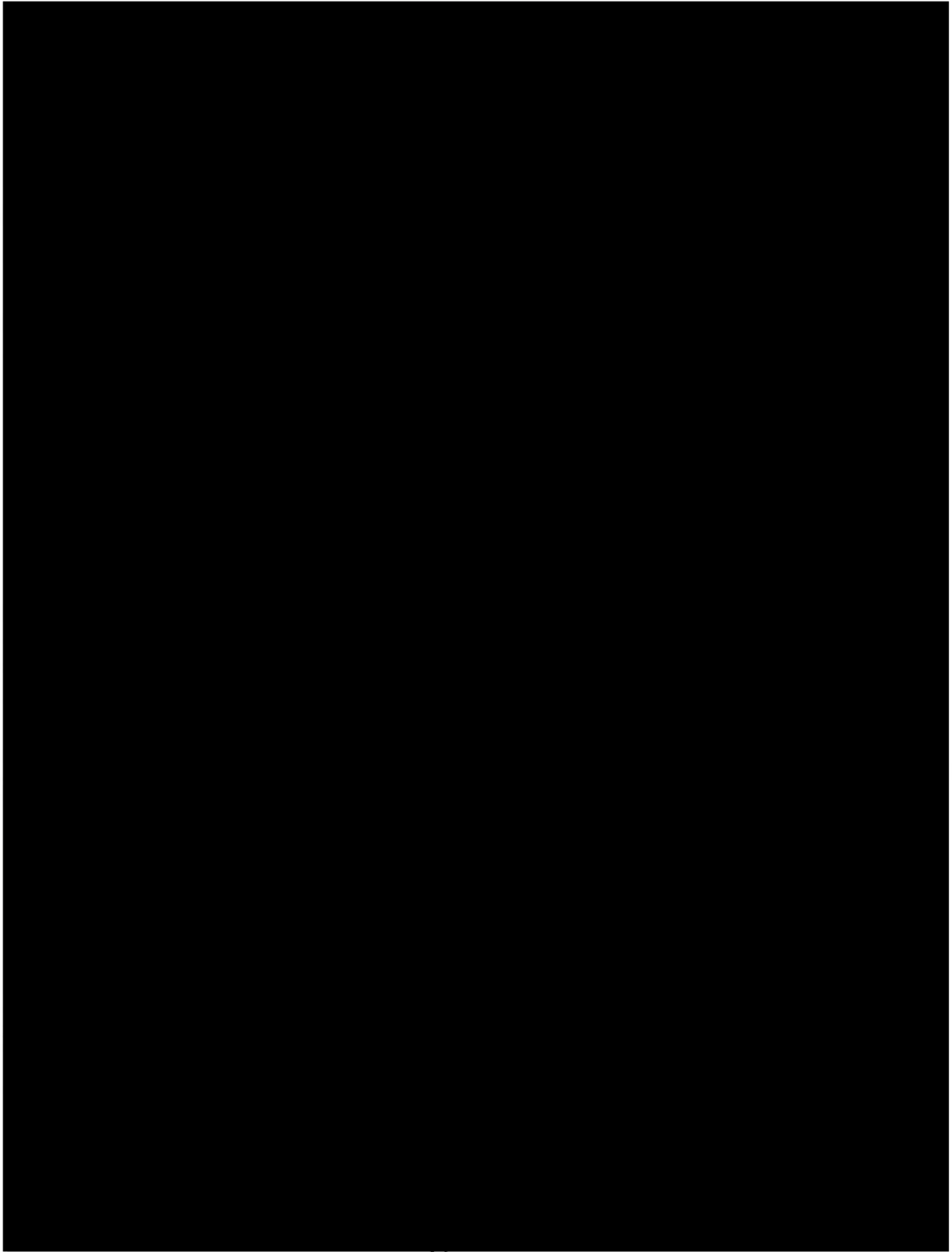
# Exhibit A











**Filed 4/5/2022 OAH**

COMMONWEALTH OF KENTUCKY  
 ENERGY AND ENVIRONMENT CABINET  
 DIVISION OF ENFORCEMENT  
 CASE NO. DOW 21-3-0211

IN RE: Bluegrass Water Utility Operating Company, LLC  
 Darlington Creek Homeowners Association, Inc.  
 500 Thomas More Parkway  
 Crestview Hills, KY 41017  
 AI No. 44397  
 Activity ID No. ERF20210001

**AGREED ORDER**

\*\*\*\*\*

WHEREAS, the parties to this Agreed Order, the Energy and Environment Cabinet (hereinafter “Cabinet”) and Bluegrass Water Utility Operating Company, LLC (hereinafter “BWUOC”) state:

**STATEMENTS OF FACT**

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
3. Darlington Creek Homeowners Association Wastewater Treatment Plant (hereinafter “Darlington Creek WWTP” or “facility”), is located at US 27 South & Highway 154, Alexandria, Kentucky 41001. The facility has a design capacity of 0.0495 million gallons per day and discharges to an unnamed tributary of Phillips Creek.
4. Darlington Creek WWTP is currently owned and operated by the Darlington Creek Homeowners Association, Inc. The facility’s discharges are permitted under Kentucky Pollutant

Discharge Elimination Systems (hereinafter "KPDES") permit number KY0105325, issued by the Cabinet's Division of Water (hereinafter "DOW"). The facility's KPDES permit expires on June 30, 2024.

5. Darlington Creek Homeowners Association, Inc. is an active non-profit Kentucky corporation in good standing, according to the Kentucky Secretary of State.

6. BWUOC has indicated to the Cabinet that it plans to acquire the facility, provided it receives from the Kentucky Public Service Commission ("Commission") all approvals required to make the acquisition. If the Commission approves the acquisition, BWUOC plans to assume ownership and operation of the facility on or around January 15, 2022.

7. BWUOC has contracted with a third-party firm to produce an engineering memorandum detailing the status of and repairs needed at the facility (Exhibit A).

8. If it receives all required Commission approvals, BWUOC has indicated to the Cabinet that it plans to make substantial repairs and/or upgrades to the facility to address the deficiencies noted in Exhibit A.

**NOW THEREFORE**, in the interest of providing corrective actions to the facility, the parties hereby consent to the entry of this Agreed Order and agree as follows:

**REMEDIAL MEASURES**

9. BWUOC shall notify the Cabinet in writing that it has assumed ownership and operation within fifteen (15) days of acquiring the facility.

10. Within fifteen (15) days of assuming ownership and operation of the facility, BWUOC shall submit a "Change in Ownership Certification" to the Cabinet.

11. At all times, commencing with assuming ownership of the facility, BWUOC shall provide for proper operation and maintenance of the facility in accordance with 401 KAR 5:065

Section 2(1).

12. Following the initial ninety (90) days of its operation of the facility, BWUOC shall submit to the Cabinet for review and acceptance, a written Corrective Action Plan (hereinafter "CAP") to bring the facility into compliance with its KPDES permit and correct the deficiencies noted in Exhibit A. The CAP shall include, but not be limited to, an identification of actions BWUOC shall implement to ensure compliance that includes; proper operation and maintenance to its sewage treatment system, collection system, and disinfection unit. The CAP shall also include a list of all actions necessary to ensure the completion of upgrades to its facility including a list of completion dates for each action. Include in the CAP a final compliance date for completion of all remedial measures listed;

- A. Upon review of the CAP, the Cabinet may, in whole or in part, (1) accept or (2) decline and provide comments to the BWUOC identifying the deficiencies. Upon receipt of Cabinet comments, the BWUOC shall have ninety (90) days to revise and resubmit the CAP for review and acceptance. Upon resubmittal, the Cabinet may, in whole or in part, (1) accept or (2) disapprove and provide comments to the BWUOC identifying the deficiencies. Upon such resubmittal, if the CAP is disapproved, the Cabinet may deem the BWUOC to be out of compliance with this Agreed Order for failure to timely submit the CAP. The parties to this Agreed Order may also agree in writing to further extend the period in which the BWUOC and the Cabinet accept a revised and resubmitted CAP.
- B. The BWUOC may request an amendment of the accepted CAP by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort,

Kentucky 40601 and stating the reasons for the request. If granted, the amended CAP shall not affect any provision of this Agreed Order unless expressly provided in the amended CAP. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

- C. Upon Cabinet acceptance of all or any part of the CAP, the amended CAP or any accepted part thereof (provided that the accepted part is not dependent upon implementation of any part not yet accepted), shall be deemed incorporated into this Agreed Order as an enforceable requirement of this Agreed Order. This does not require an amendment request pursuant to paragraph 20 of this Agreed Order.

13. So long as BWUOC is in compliance with the terms and conditions of this Agreed Order, the Cabinet's Division of Enforcement agrees to hold any formal enforcement action for numeric permit parameter violations for the KPDES permit described in paragraph 4, in abeyance. However, in the event that such numeric permit parameter violation results in immediate and irreparable harm to human health or the environment, the Cabinet may issue an Abate and Alleviate Order or seek a temporary injunction from a court. Should BWUOC fail to comply with the terms and conditions of this Agreed Order or if conditions warrant immediate relief as specified above, the Cabinet may seek formal enforcement action that would have otherwise been held in abeyance.

14. By the final compliance date in the accepted CAP, BWUOC shall be in full compliance with its KPDES permit.

15. All submittals required by the terms of this Agreed Order shall be submitted to: Division of Enforcement, Attention: Director, 300 Sower Blvd., Frankfort, Kentucky, 40601.

#### **MISCELLANEOUS PROVISIONS**

16. This Agreed Order shall be of no force and effect unless BWUOC assumes ownership and operations of the Darlington Creek WWTP.

17. This Agreed Order addresses only the items described above. Other than the matters agreed to by entry of this Agreed Order, nothing contained herein shall be construed to waive or to limit any remedy or cause of action by the Cabinet based on statutes or regulations under its jurisdiction and BWUOC reserves its defenses thereto. The Cabinet expressly reserves its right at any time to issue administrative orders and to take any other action it deems necessary that is not inconsistent with this Agreed Order, including the right to order all necessary remedial measures, assess penalties for violations, or recover all response costs incurred, and BWUOC reserves its defenses thereto.

18. This Agreed Order shall not prevent the Cabinet from issuing, reissuing, renewing, modifying, revoking, suspending, denying, terminating, or reopening any permit to BWUOC. BWUOC reserves its defenses thereto, except that BWUOC shall not use this Agreed Order as a defense.

19. BWUOC waives its right to any hearing on the matters admitted herein. However, failure by BWUOC to comply strictly with any or all of the terms of this Agreed Order shall be grounds for the Cabinet to seek enforcement of this Agreed Order in Franklin Circuit Court and to pursue any other appropriate administrative or judicial action under KRS Chapter 224 and the regulations promulgated pursuant thereto.

20. The Agreed Order may not be amended except by a written order of the Cabinet's Secretary or her designee. BWUOC may request an amendment by writing the Director of the Division of Enforcement at 300 Sower Blvd., Frankfort, Kentucky 40601, and stating the reasons for the request. If granted, the amended Agreed Order shall not affect any provision of this Agreed

Order unless expressly provided in the amended Agreed Order.

21. The Cabinet does not, by its consent to the entry of this Agreed Order, warrant or aver in any manner that BWUOC's complete compliance with this Agreed Order will result in compliance with the provisions of KRS Chapter 224 and the regulations promulgated pursuant thereto. Notwithstanding the Cabinet's review and approval of any plans formulated pursuant to this Agreed Order, BWUOC shall remain solely responsible for compliance with the terms of KRS Chapter 224 and the regulations promulgated thereto, this Agreed Order, and any permit and compliance schedule requirements.

22. BWUOC shall give notice of this Agreed Order to any purchaser, lessee or successor in interest prior to the transfer of ownership and/or operation of any part of the facility occurring prior to termination of this Agreed Order, shall notify the Cabinet that such notice has been given, and shall follow all statutory requirements for a transfer.

23. This Agreed Order applies specifically and exclusively to the unique facilities referenced herein and is inapplicable to any other facility.

24. Compliance with this Agreed Order is not conditional on the receipt of any federal, state, or local funds.

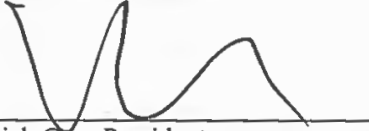
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**TERMINATION**

26. This Agreed Order shall terminate upon BWUOC's completion of all requirements described in this Agreed Order. BWUOC may submit written notice to the Cabinet when it believes all requirements have been performed. The Cabinet shall notify BWUOC in writing whether it concurs that all requirements of this Agreed Order have been completed. The Cabinet reserves its right to enforce this Agreed Order, and BWUOC reserves its right to file a petition for hearing pursuant to KRS 224.10-420(2) contesting the Cabinet's determination.



**AGREED TO BY:**



Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

3/10/2022  
Date

**APPROVAL RECOMMENDED BY:**

Natalie P. Bruner  
Natalie Bruner, Director  
Division of Enforcement

03.17.2022  
Date

Elizabeth U. Natter  
Elizabeth U. Natter, Executive Director  
Office of Legal Services

4/4/2022  
Date

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 5th day of April, 2022.

ENERGY AND ENVIRONMENT CABINET



---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman, Secretary  
Energy & Environment Cabinet

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 5th day of April, 2022.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed, messenger to:~~ Electronically mailed to:

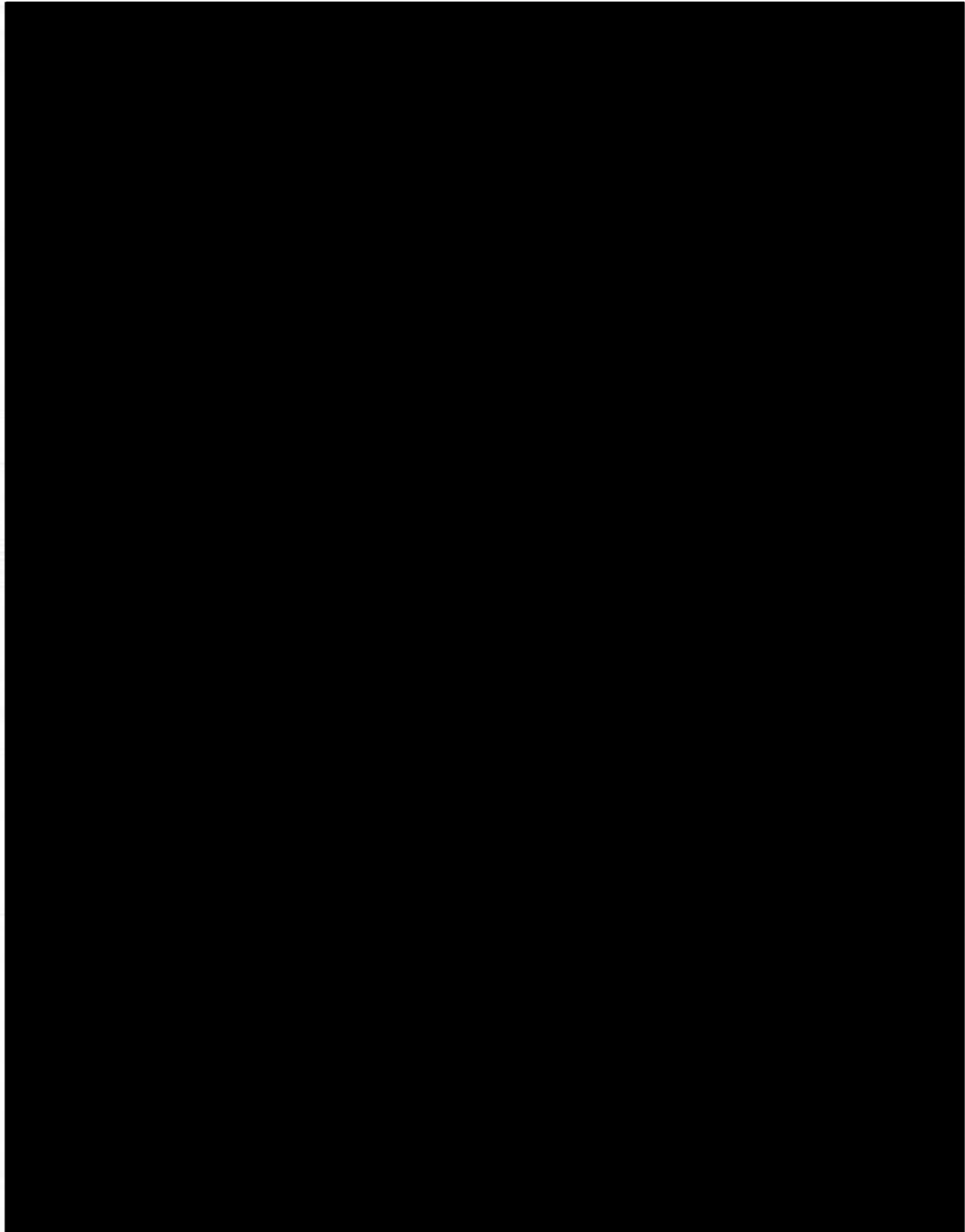
Natalie Bruner, Director  
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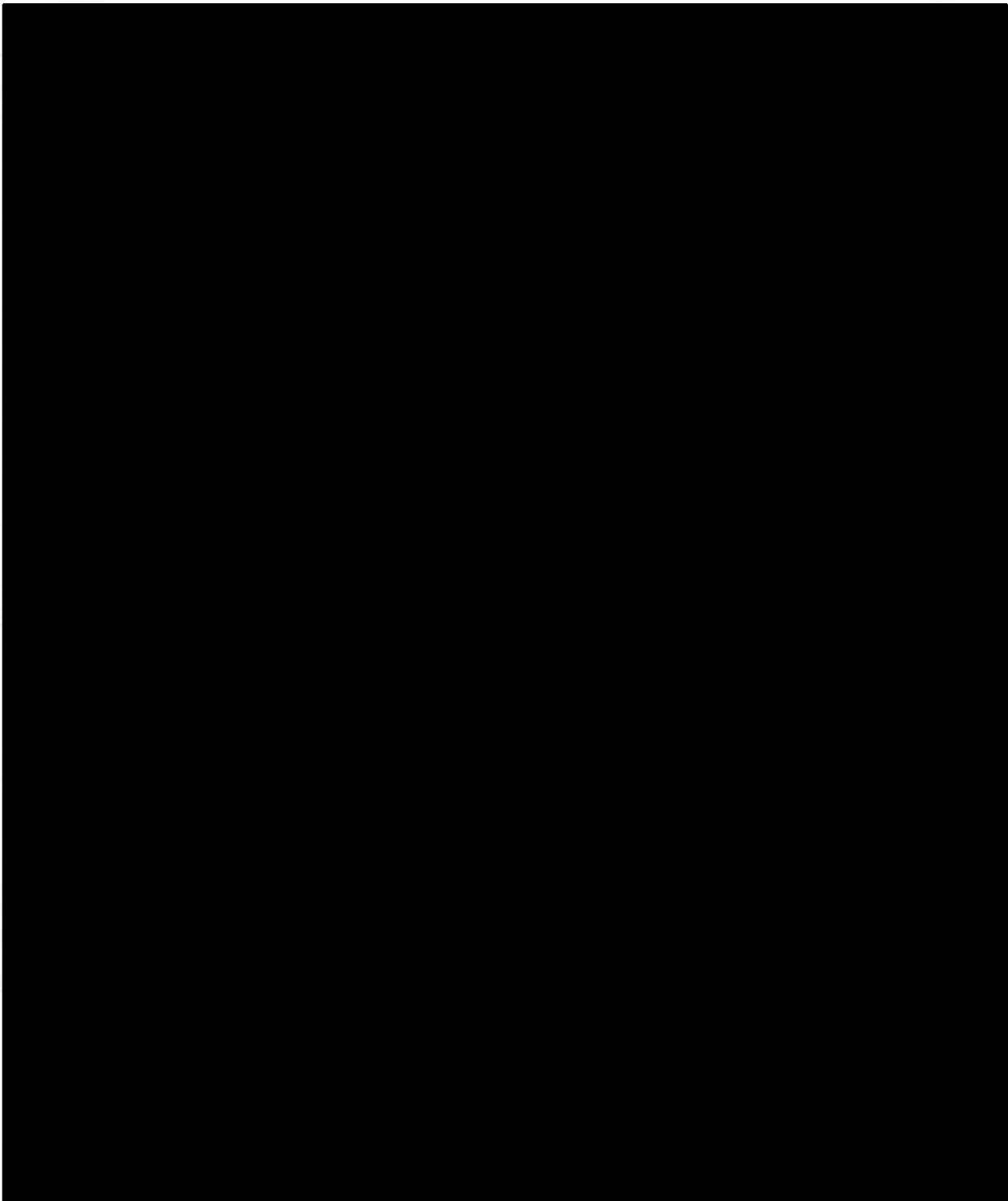
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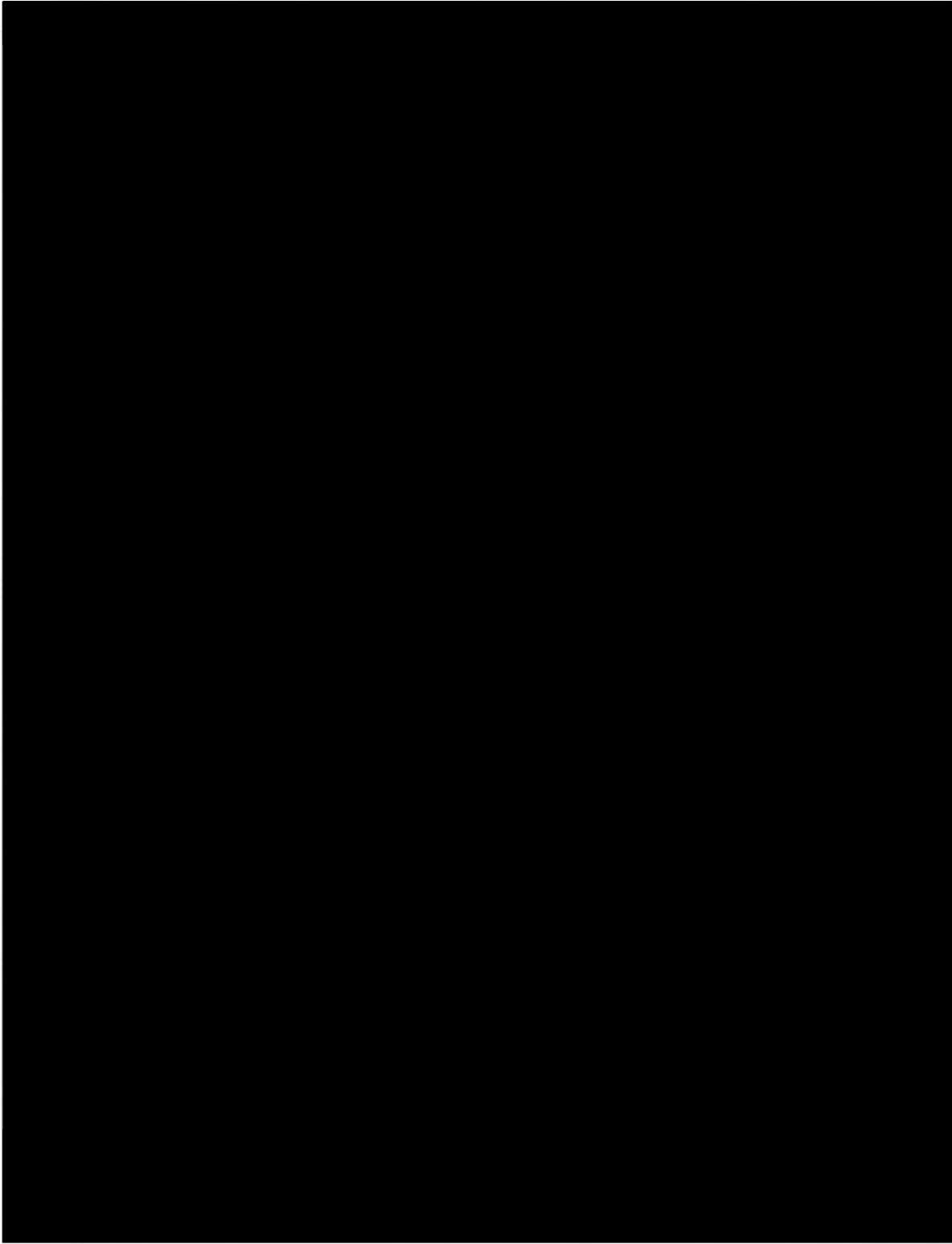
  
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DOCKET COORDINATOR

Distribution:  
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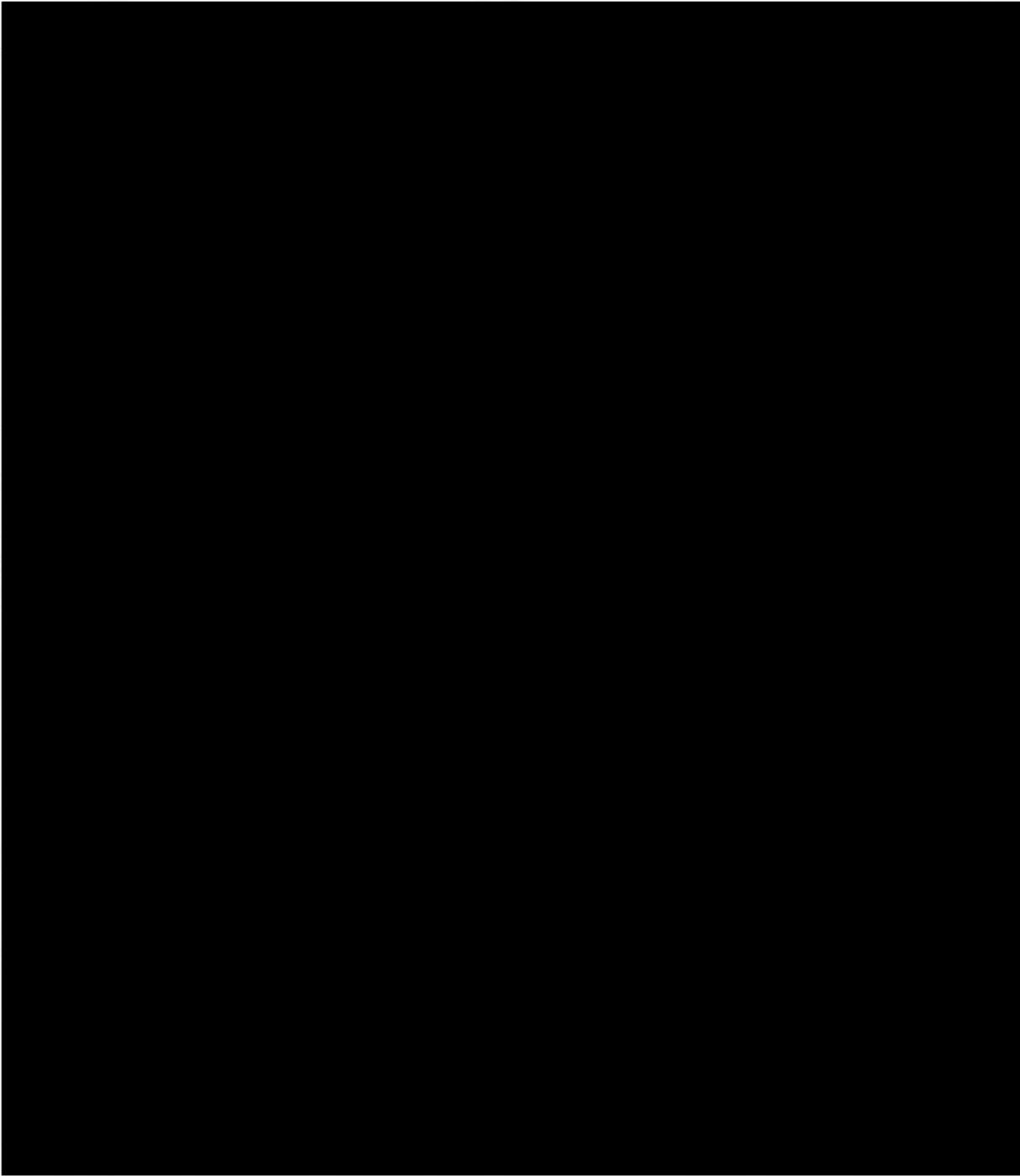
# Exhibit A











Filed 4/5/2022 OAH

COMMONWEALTH OF KENTUCKY  
ENERGY AND ENVIRONMENT CABINET  
DIVISION OF ENFORCEMENT  
CASE NO. DOW 21-3-0211

IN RE: Bluegrass Water Utility Operating Company, LLC  
Darlington Creek Homeowners Association, Inc.  
500 Thomas More Parkway  
Crestview Hills, KY 41017  
AI No. 44397  
Activity ID No. ERF20210001

**AGREED ORDER**

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2. BWUOC is an active Kentucky Limited Liability Company in good standing that owns and operates utilities and whose principal address, according to the Kentucky Secretary of State is 1650 Des Peres Road, Suite 303, St. Louis, Missouri 63131.
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Section 2(1).

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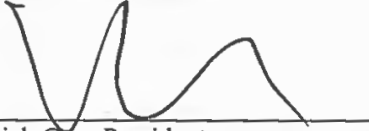
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**AGREED TO BY:**



Josiah Cox, President  
Bluegrass Water Utility Operating Company, LLC

3/10/2022  
Date

**APPROVAL RECOMMENDED BY:**

Natalie P. Bruner

Natalie Bruner, Director  
Division of Enforcement

03.17.2022

Date

Elizabeth U. Natter

Elizabeth U. Natter, Executive Director  
Office of Legal Services

4/4/2022

Date

**ORDER**

Wherefore, the foregoing Agreed Order is entered as the final Order of the Energy and Environment Cabinet this 5th day of April, 2022.

ENERGY AND ENVIRONMENT CABINET



---

John S. Lyons, Deputy Secretary  
Authorized Designee, Rebecca W. Goodman, Secretary  
Energy & Environment Cabinet

**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing **AGREED ORDER** was mailed, postage prepaid, to the following this 5th day of April, 2022.

Bluegrass Water Utility Operating Company, LLC  
Attn: Jacob Freeman  
1650 Des Peres Road, Suite 303  
St. Louis, MO 63131

And ~~mailed, messenger to~~: Electronically mailed to:

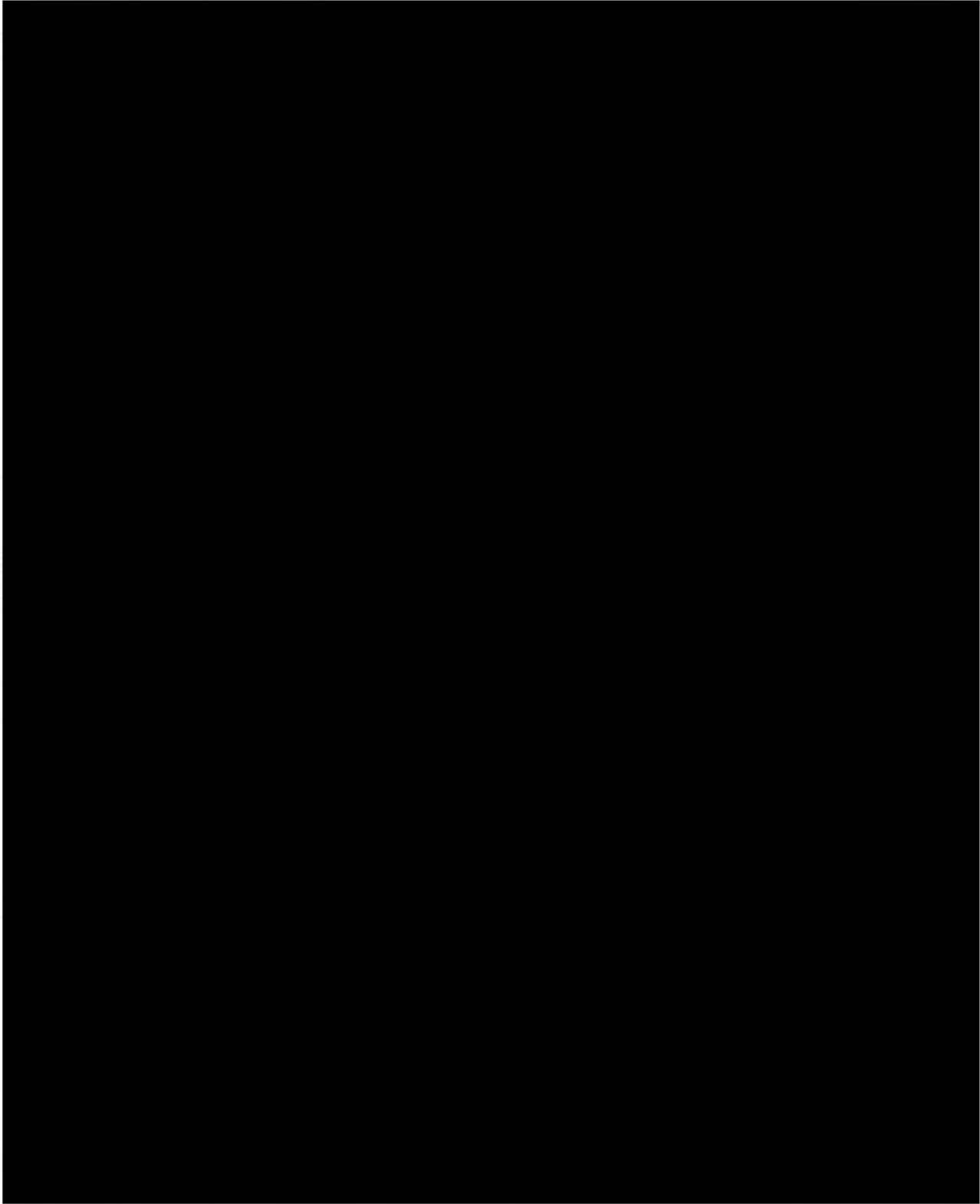
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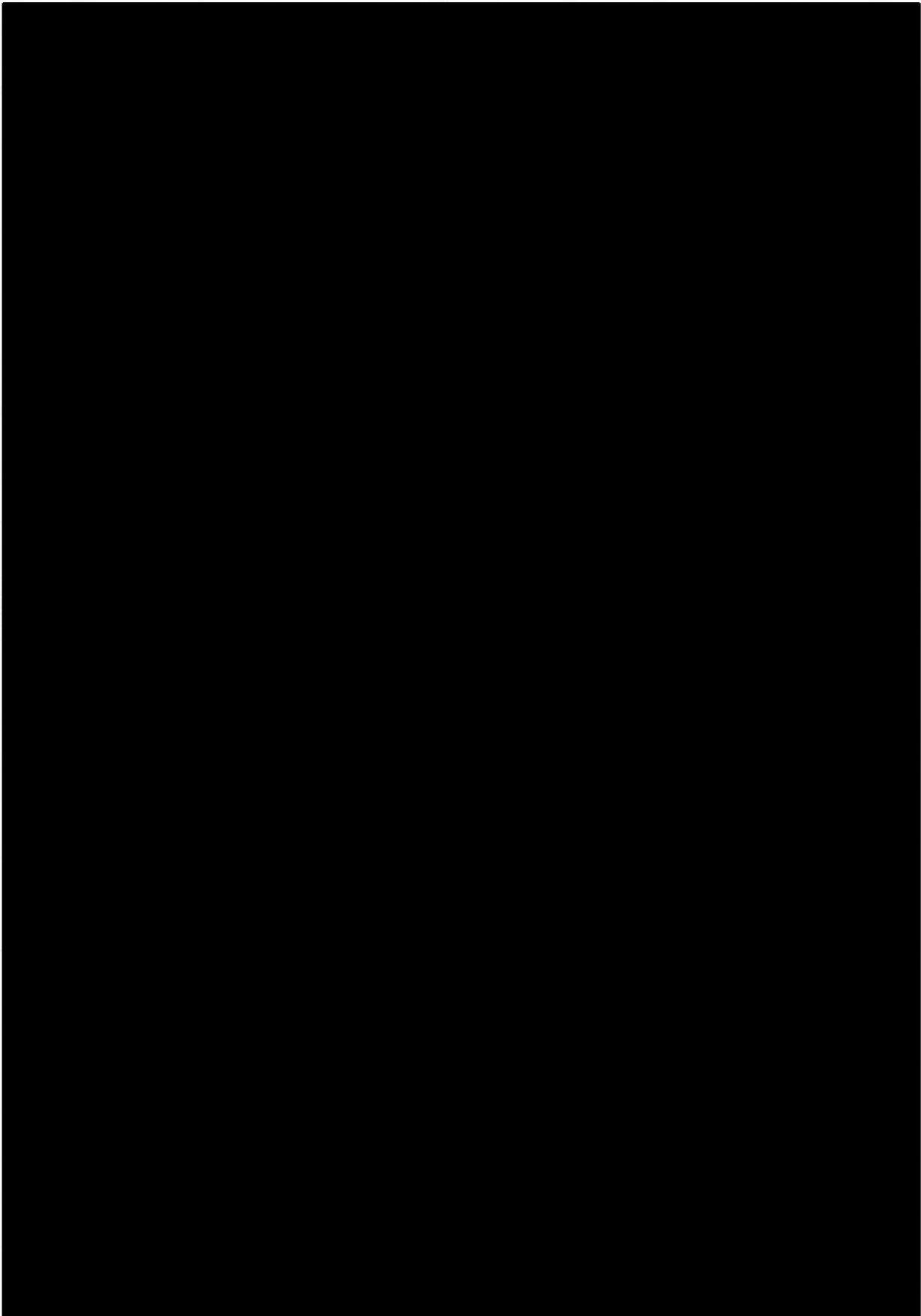
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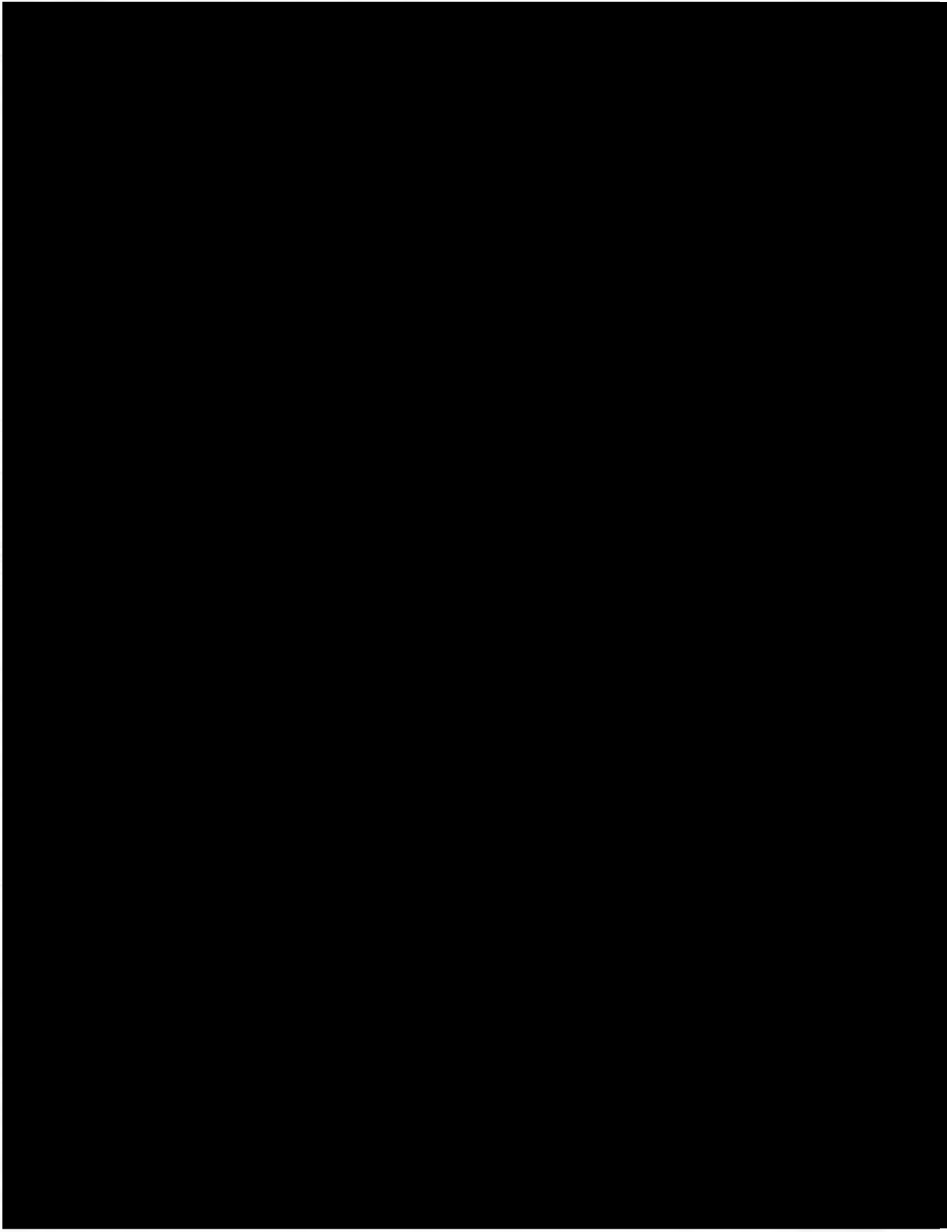
  
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DOCKET COORDINATOR

Distribution:  
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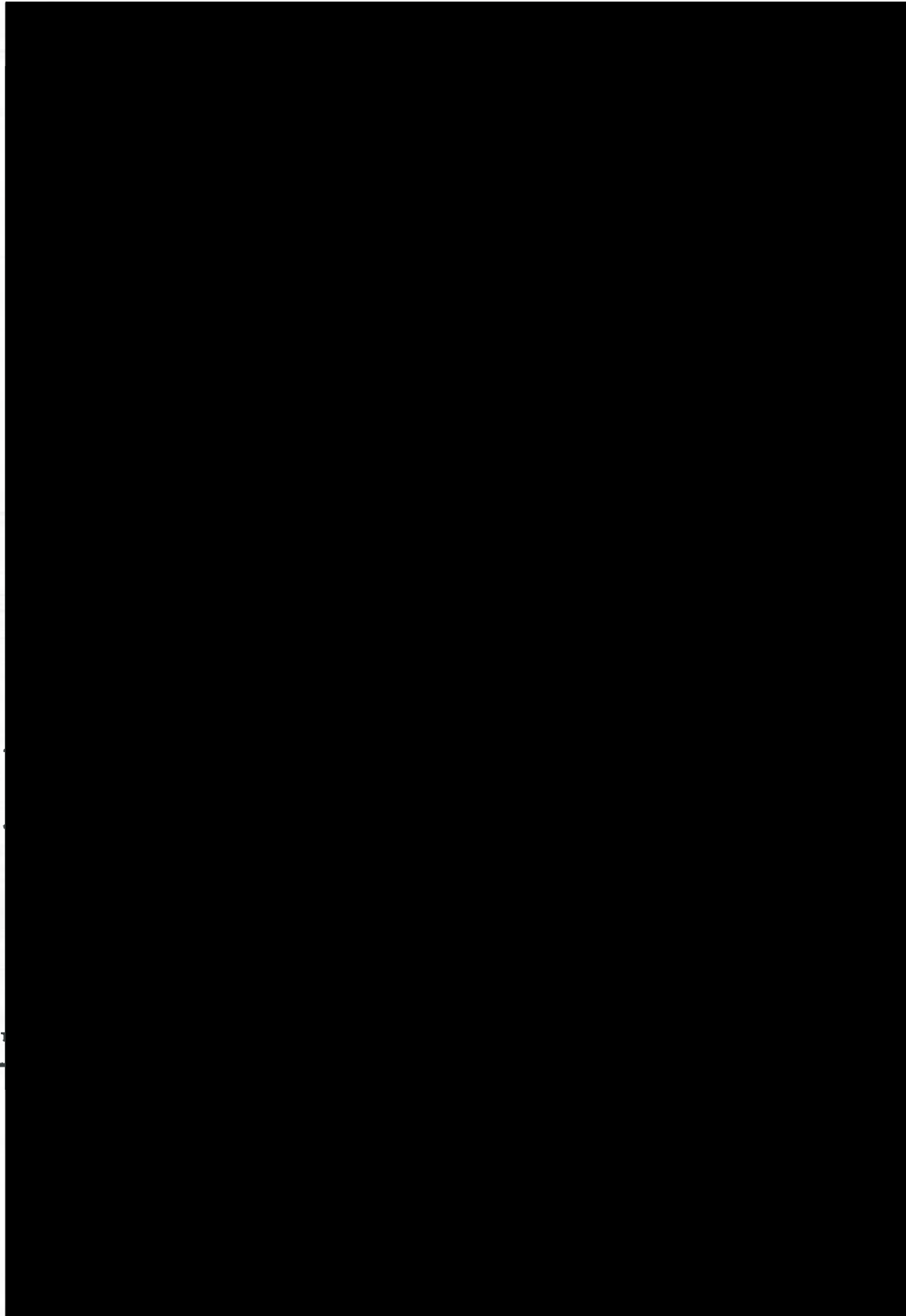
# Exhibit A













June 27, 2022

Nicholas Fields  
Kentucky Department of Environmental Protection  
Division of Enforcement  
300 Sower Blvd., 3<sup>rd</sup> Floor  
Frankfort, KY 40601

RE: Bluegrass Water Utility Operating Company, LLC  
Darlington Creek WWTP  
KYPDES Permit No. KY0105325  
Agency No. 44397

### Corrective Action Plan

In light of the Darlington Creek WWTP's current status, Bluegrass Water submits the following corrective action plan.

BWUOC has recently purchased this treatment plant. With the change of ownership, operational modifications have been implemented and are ongoing. Due to the poor maintenance of the facility by the previous ownership, the current plant has some areas of concern, which could potential prevent it from meeting limits.

#### 1. Causes of Effluent Violations

- Nitrogen, Ammonia (NH<sub>3</sub>-N)
- Total Residual Chlorine
- Total Suspended Solids (TSS)
- Carbonaceous Biological Oxygen Demand (CBOD)
- E. Coli

A review was performed of EPA's Echo compliance website which lists violations. The Darlington Creek WWTF has been in "Significant noncompliance" between October 1, 2019, thru September 30, 2021, with numerous failures to report DMR. The package plant portion of the facility has not been maintained by the previous ownership and shows signs of rust and structural concerns. Areas with dense vegetation along the southwest of the facility causing debris to fall into wastewater process lines, which could cause clogging and backup along the system. Duckweed present on one of the clarifiers and it can potentially cause issues with meeting TSS limits.

The existing system does not have a function flow meter and there are concerns with accuracy of flow data. Additionally, there is no remote monitoring available at this system. The fence shows signs of deterioration, and it will require rehabilitation and/or repairs along several sections. Air headers showing signs of age and it will need to be addressed to reevaluate the effectiveness of aeration piping and any associated components along the facility.

#### 2. System Evaluation and Corrective Actions

The improvements will include rehabilitation to the aeration system to include increase the air piping size and the number of diffusers to improve treatment process. Vegetation control throughout the plant, in order to remove any trees can branches around the plant. In addition, the installation of remote monitoring system and properly installed flow meter will allow operations to continuously monitor flows and alarm conditions.



3. Project Milestones

- a. Continue monitoring performance of facility (October 2, 2022)
- b. Procure equipment (April 5, 2023)
- e. Complete construction (October 5, 2023)

Sincerely,

**Enrique Chavez Jr.**  
Utility Project Manager  
Email: [echavez@cswrgroup.com](mailto:echavez@cswrgroup.com)  
Office: (314) 380-8043  
Mobile: (314) 437-5714

